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**State:** District of Columbia **Filing Company:** Group Hospitalization and Medical Services, Inc.  
**TOI/Sub-TOI:** H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)  
**Product Name:** BluePreferred - ON-EXCHANGE  
**Project Name/Number:** DC GHMSI IND64- ACA ON-EXCHANGE /2112

## Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.  
Product Name: BluePreferred - ON-EXCHANGE  
State: District of Columbia  
TOI: H16I Individual Health - Major Medical  
Sub-TOI: H16I.005A Individual - Preferred Provider (PPO)  
Filing Type: Rate  
Date Submitted: 05/02/2016  
SERFF Tr Num: CFAP-130549415  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num: 2112  
  
Implementation: 01/01/2017  
Date Requested:  
Author(s): Dwayne Lucado, Todd Switzer, Brad Boban, Shane Kontir, Cory Bream, Britney Tyler  
Reviewer(s): Efren Tanhehco (primary), John Morgan, Damon Siler  
Disposition Date:  
Disposition Status:  
Implementation Date:  
  
State Filing Description:

**State:** District of Columbia  
**TOI/Sub-TOI:** H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)  
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## General Information

Project Name: DC GHMSI IND64- ACA ON-EXCHANGE

Project Number: 2112

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Deemer Date:

Submitted By: Shane Kontir

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type: Individual

Filing Status Changed: 05/05/2016

State Status Changed:

Created By: Shane Kontir

Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Exchange Intentions:

This filing contains the rate proposal for the portfolio of benefits to be offered by Group Hospitalization & Medical Services, Inc. to Individuals Under 65 on the D.C. Exchange. We are submitting 3 benefit plans on the D.C. Exchange.

Filing Description:

This filing contains the rate proposal for the portfolio of benefits to be offered by Group Hospitalization & Medical Services, Inc. to Individuals Under 65 on the D.C. Exchange. We are submitting 3 benefit plans on the D.C. Exchange.

## Company and Contact

### Filing Contact Information

Brad Boban, Senior Actuarial Assistant  
10455 Mill Run Circle  
Owings Mills, MD 21117

brad.boban@carefirst.com  
410-998-6230 [Phone]  
410-998-7704 [FAX]

### Filing Company Information

Group Hospitalization and Medical Services, Inc.  
840 First Street NE  
Washington, DC 20065  
(410) 581-3000 ext. [Phone]

CoCode: 53007  
Group Code:  
Group Name:  
FEIN Number: 53-0078070

State of Domicile: District of Columbia  
Company Type: Hospital, Medical & Dental Service or Indemnity  
State ID Number:

## Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE /2112		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	3.600%
<b>Effective Date of Last Rate Revision:</b>	01/01/2016
<b>Filing Method of Last Filing:</b>	SERFF

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Group Hospitalization and Medical Services, Inc.	Neutral	0.000%	0.000%	\$0	5,788	\$26,155,436	21.200%	-17.000%

**State:** District of Columbia **Filing Company:** Group Hospitalization and Medical Services, Inc.  
**TOI/Sub-TOI:** H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)  
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**Project Name/Number:** DC GHMSI IND64- ACA ON-EXCHANGE /2112

## Rate Review Detail

### COMPANY:

Company Name: Group Hospitalization and Medical Services, Inc.  
HHS Issuer Id: 78079

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
BluePreferred	78079DC021		5788

Trend Factors:

### FORMS:

New Policy Forms: DC/CF/BP/EXC/DOCS (1/17), DC/CF/EXC/BP STD/BRZ 5000 (1/17), DC/CF/EXC/BP STD/GOLD 500 (1/17), DC/CF/EXC/BP STD/NATAMER SOB (1/17), DC/CF/EXC/BP STD/SIL 2000 (1/17), DC/CF/EXC/BP STD/SIL 2000 73 (1/17), DC/CF/EXC/BP STD/SIL 2000 87 (1/17), DC/CF/EXC/BP STD/SIL 2000 94 (1/17), DC/CF/EXC/BP/IEA (R. 1/17), DC/GHMSI/DOL APPEAL (R. 1/16)

Affected Forms:

Other Affected Forms: DC/CF/ANCILLARY AMEND (10/12), DC/CF/EXC/NATAMER (1/14), DC/CF/MEM/BLCRD (1/12), DC/CF/PT PROTECT (9/10), DC/GHMSI/HEALTH GUARANTEE 1/15

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual  
Member Months: 62,048  
Benefit Change: Increase  
Percent Change Requested: Min: -17.0 Max: 21.2 Avg: 0.0

### PRIOR RATE:

Total Earned Premium: 26,155,436.00  
Total Incurred Claims: 19,736,798.00  
Annual \$: Min: 256.57 Max: 520.65 Avg: 371.07

### REQUESTED RATE:

Projected Earned Premium: 26,155,436.00  
Projected Incurred Claims: 21,211,725.00  
Annual \$: Min: 273.93 Max: 432.00 Avg: 371.07

SERFF Tracking #:

CFAP-130549415

State Tracking #:

Company Tracking #:

2112

State: District of Columbia

Filing Company:

Group Hospitalization and Medical Services, Inc.

TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)

Product Name: BluePreferred - ON-EXCHANGE

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2112_DC_PPO - Exchange (Q1 2017) - Rate Filing	DC/CF/ANCILLARY AMEND (10/12), DC/CF/BP/EXC/DOCS (1/17), DC/CF/EXC/BP STD/BRZ 5000 (1/17), DC/CF/EXC/BP STD/GOLD 500 (1/17), DC/CF/EXC/BP STD/NATAMER SOB (1/17), DC/CF/EXC/BP STD/SIL 2000 (1/17), DC/CF/EXC/BP STD/SIL 2000 73 (1/17), DC/CF/EXC/BP STD/SIL 2000 87 (1/17), DC/CF/EXC/BP STD/SIL 2000 94 (1/17), DC/CF/EXC/BP/IEA (R. 1/17), DC/CF/EXC/NATAMER (1/14), DC/CF/MEM/BLCRD (1/12), DC/GHMSI/DOL APPEAL (R. 1/16), DC/CF/PT PROTECT (9/10), DC/GHMSI/HEALTH GUARANTEE 1/15	Revised	Previous State Filing Number: CFAP-130058658 or 2021 Percent Rate Change Request:	2112_DC_PPO - Exchange (Q1 2017) - Rate Filing.pdf,

**Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)  
Rate Filing # 2112**

**DC Individual Exchange Products  
Rates Effective 1/1/2017**

**Rates & Factors**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates & Factors**  
**Table of Contents**  
**[Rates Effective 1/1/2017](#)**

Cover	1
Table of Contents	2
Form Numbers	3
Age Factors	4
BluePreferred PPO Standard Bronze \$5,000	5
BluePreferred PPO Standard Silver \$2,000	6
BluePreferred PPO Standard Gold \$500	7

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Form Numbers**

**Form Numbers Associated With This ACA Filing:**

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<b>BluePreferred PPO Standard Plans</b>
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DC/CF/EXC/BP/IEA (R. 1/17)  
DC/CF/BP/EXC/DOCS (1/17)  
DC/CF/EXC/BP STD/BRZ 5000 (1/17)  
DC/CF/EXC/BP STD/GOLD 500 (1/17)  
DC/CF/EXC/BP STD/NATAMER SOB (1/17)  
DC/CF/EXC/BP STD/SIL 2000 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 73 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 87 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 94 (1/17)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 1/16)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 1/15  
DC/CF/PT PROTECT (9/10)



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Age Factors**

<b>Age</b>	<b>Factor</b>
0-20	0.654
21	0.727
22	0.727
23	0.727
24	0.727
25	0.727
26	0.727
27	0.727
28	0.744
29	0.760
30	0.779
31	0.799
32	0.817
33	0.836
34	0.856
35	0.876
36	0.896
37	0.916
38	0.927
39	0.938
40	0.975
41	1.013
42	1.053
43	1.094
44	1.137
45	1.181
46	1.227
47	1.275
48	1.325
49	1.377
50	1.431
51	1.487
52	1.545
53	1.605
54	1.668
55	1.733
56	1.801
57	1.871
58	1.944
59	2.020
60	2.099
61	2.181
62	2.181
63	2.181
64+	2.181

# Group Hospitalization & Medical Services, Inc. (GHMSI)

Individual On Exchange  
DISTRICT OF COLUMBIA  
BluePreferred PPO Standard Bronze \$5,000  
Proposed Monthly Premium Rates Effective 1/1/2017

Consumer Adjusted Rate **\$273.93**

Age	Monthly Premium
0-20	\$179.15
21	\$199.15
22	\$199.15
23	\$199.15
24	\$199.15
25	\$199.15
26	\$199.15
27	\$199.15
28	\$203.80
29	\$208.19
30	\$213.39
31	\$218.87
32	\$223.80
33	\$229.01
34	\$234.48
35	\$239.96
36	\$245.44
37	\$250.92
38	\$253.93
39	\$256.95
40	\$267.08
41	\$277.49
42	\$288.45
43	\$299.68
44	\$311.46
45	\$323.51
46	\$336.11
47	\$349.26
48	\$362.96
49	\$377.20
50	\$391.99
51	\$407.33
52	\$423.22
53	\$439.66
54	\$456.92
55	\$474.72
56	\$493.35
57	\$512.52
58	\$532.52
59	\$553.34
60	\$574.98
61	\$597.44
62	\$597.44
63	\$597.44
64+	\$597.44

## Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$5,000	\$10,000
COINSURANCE	20%	40%
OUT-OF-POCKET MAXIMUM	\$7,150	\$14,300
Office Copays	\$25 PCP /\$50 Specialist	
Drug:	\$25 Generic, 50% Preferred Brand	
	50% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		

## Group Hospitalization & Medical Services, Inc. (GHMSI)

Individual On Exchange  
DISTRICT OF COLUMBIA  
BluePreferred PPO Standard Silver \$2,000  
Proposed Monthly Premium Rates Effective 1/1/2017

Base F Consumer Adjusted Rate **\$333.60**

Age	Monthly Premium
0-20	\$218.17
21	\$242.53
22	\$242.53
23	\$242.53
24	\$242.53
25	\$242.53
26	\$242.53
27	\$242.53
28	\$248.20
29	\$253.54
30	\$259.87
31	\$266.55
32	\$272.55
33	\$278.89
34	\$285.56
35	\$292.23
36	\$298.91
37	\$305.58
38	\$309.25
39	\$312.92
40	\$325.26
41	\$337.94
42	\$351.28
43	\$364.96
44	\$379.30
45	\$393.98
46	\$409.33
47	\$425.34
48	\$442.02
49	\$459.37
50	\$477.38
51	\$496.06
52	\$515.41
53	\$535.43
54	\$556.44
55	\$578.13
56	\$600.81
57	\$624.17
58	\$648.52
59	\$673.87
60	\$700.23
61	\$727.58
62	\$727.58
63	\$727.58
64+	\$727.58

### Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$2,000	\$4,000
COINSURANCE	20%	40%
OUT-OF-POCKET MAXIMUM	\$6,250	\$12,500
Office Copays	\$25 PCP /\$50 Specialist	
Drug:	\$15 Generic, \$50 Preferred Brand	
	\$70 Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		

# Group Hospitalization & Medical Services, Inc. (GHMSI)

Individual On Exchange  
DISTRICT OF COLUMBIA  
BluePreferred PPO Standard Gold \$500  
Proposed Monthly Premium Rates Effective 1/1/2017

Base Rate      Consumer Adjusted Rate      **\$432.00**

Age	Monthly Premium
0-20	\$282.53
21	\$314.06
22	\$314.06
23	\$314.06
24	\$314.06
25	\$314.06
26	\$314.06
27	\$314.06
28	\$321.41
29	\$328.32
30	\$336.53
31	\$345.17
32	\$352.94
33	\$361.15
34	\$369.79
35	\$378.43
36	\$387.07
37	\$395.71
38	\$400.46
39	\$405.22
40	\$421.20
41	\$437.62
42	\$454.90
43	\$472.61
44	\$491.18
45	\$510.19
46	\$530.06
47	\$550.80
48	\$572.40
49	\$594.86
50	\$618.19
51	\$642.38
52	\$667.44
53	\$693.36
54	\$720.58
55	\$748.66
56	\$778.03
57	\$808.27
58	\$839.81
59	\$872.64
60	\$906.77
61	\$942.19
62	\$942.19
63	\$942.19
64+	\$942.19

## Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$500	\$1,000
COINSURANCE	0%	30%
OUT-OF-POCKET MAXIMUM	\$3,500	\$7,000
Office Copays	\$25 PCP /\$50 Specialist	
Drug:	\$15 Generic, \$50 Preferred Brand	
	\$70 Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE /2112		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	This information can be found in the Actuarial Memorandum.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	2017 ACA_Actl Memo_CD_DC_GH - 5-2-2016.pdf 2112_DC_PPO - Exchange (Q1 2017) - Actuarial Memorandum_5.5.16.pdf 2112_DC_PPO - Exchange - Rate Filing Checklist.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	2017 ACA_Actl Memo_CD_DC_GH - 5-2-2016.pdf 2112_DC_PPO - Exchange (Q1 2017) - Actuarial Memorandum_5.5.16.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	This filing is being made by the insurer.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consumer Disclosure Form
<b>Bypass Reason:</b>	As noted, we are bypassing this Requirement.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	2017 ACA_Cover Letter_CD_DC_GH.pdf

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE		
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE /2112		

<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	DISB Actuarial Memorandum Dataset
<b>Comments:</b>	
<b>Attachment(s):</b>	DISB Actuarial Memo Dataset - GHMSI_2112 - 2017 - SERFF.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	n/a
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	n/a
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	2112_DC_PPO - URRT - SERFF.pdf 2112_DC_PPO - URRT - SERFF.xlsm UnifiedRateReviewSubmission_20160502172015.xml
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	District of Columbia Plain Language Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	2112 - DC - GHMSI - Part_II_Justification_Plain_Language_Summary.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>SERFF Tracking #:</b>	CFAP-130549415	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	2112
<hr/>					
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Group Hospitalization and Medical Services, Inc.		
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)				
<b>Product Name:</b>	BluePreferred - ON-EXCHANGE				
<b>Project Name/Number:</b>	DC GHMSI IND64- ACA ON-EXCHANGE /2112				

***Attachment DISB Actuarial Memo Dataset - GHMSI\_2112 - 2017 - SERFF.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment 2112\_DC\_PPO - URRT - SERFF.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment UnifiedRateReviewSubmission\_20160502172015.xml is not a PDF document and cannot be reproduced here.***

**CAREFIRST BLUECROSS BLUESHIELD**  
**PART III ACTUARIAL MEMORANDUM (AM)**

**1. REDACTED (AM):** CareFirst (CF) is making no redactions so both actuarial memoranda (AM) are the same.

**2. GENERAL INFORMATION:**

- A. **Company Legal Name:** Group Hospitalization and Medical Services, Inc. (NAIC # 53007) (GHMSI)
- B. **State:** District of Columbia
- C. **HIOS Issuer ID:** 78079
- D. **Market:** Individual, Non-Medigap (INM) – On Exchange
- E. **Effective Date:** 01/01/17 – 12/31/17
- F. **Primary Contact Name:** Mr. Brad Boban, A.S.A., M.A.A.A.
- G. **Primary Contact Telephone Number:** 410-998-6230
- H. **Primary Contact E-Mail Address:** Brad.Boban@CareFirst.com

**3. PROPOSED RATE INCREASE(S):** GHMSI is proposing to adjust premiums by 0.0% on average, prior to age band changes. (For CF's Individual business (Group Hospitalization and Medical Services, Inc. (GHMSI) and GHMSI the proposed average renewal is 6.9%.) For renewing customers, an age band change adds 2.6% to the renewal, on average, with a range of 0.0% to 3.9% for ages 22 and upwards per the D.C. age curve. This filing applies to all new and renewing, in-force business in the guaranteed renewable, non-grandfathered, ACA, metaled benefit plans.

**Reason for Rate Increase(s):** The main drivers of the 2017 rate increase are 1) cessation of transitional reinsurance, 2) an increase in expected risk adjustment transfer payments, 3) the 2017 moratorium for the health insurer fee and 5) trend of 8.3%.

The expected rate changes vary from -9% (Gold) to +16% (Silver) for 2017 renewals in this filing (prior to any impact of age band changes). This range is impacted by the removal of our H.S.A. factor and compression of our induced demand factors by adopting the HHS factors. For the H.S.A., we found that few members were setting up the health savings account with a bank so the behavioral impact of the insured ownership and carry-over feature of the funds were formerly over-stated

**4. MARKET EXPERIENCE (Individual and Small Group Combined):**

**4.1 EXPERIENCE PERIOD PREMIUM AND CLAIMS:** The incurred period is 01/01/15 through 12/31/15, as required. There are no anticipated MLR rebates in the experience period. Allowed claims have been developed by combining paid claims with member cost-sharing amounts as well as Federal CSR amounts.

**Paid Through Date:** 02/29/16.

**Premiums (Net of MLR Rebate) in Experience Period:** \$215,112,455 (Merged).

**Allowed and Incurred Claims From Experience Period:** \$209,316,044 (Merged).

**4.2 BENEFIT CATEGORIES:**

- A. Inpatient Hospital
- B. Outpatient Hospital
- C. Professional
- D. Other Medical (non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other)
- E. Prescription drug
- F. Capitations



#### 4.3 PROJECTION FACTORS:

**Changes in the Morbidity of the Population Insured:** Examination of the 2015 experience of the cohort as of 02/29/16 shows an increase of 1.3%. From this 02/29/16 cohort we had prior claims experience for 75% of them.

**Changes in Benefits:** For 2017, the portfolio has been redesigned. CF will offer 3 plans, all of them Standard plans, compared to 2016's six plans. Platinum plans will not be offered in 2017. Our 2016 plans will be uniformly modified into the 2016 plans based on the mapping included in this filing.

The new portfolio consists of 3 plans total: 1 bronze, 1 silver and 1 gold.

**Changes in Demographics:** The average age of GHMSI members has increased from 42.4 to 42.6 between the experience period and the latest enrollment as of 02/29/16. We have therefore made a demographic adjustment of +1.3% to account for this aging.

**Other Adjustments:** Starting in 2015, CF is continuing its incentive program, called BlueRewards, whereby members earn medical expense debit cards. The cards must be utilized for qualified medical expenses such as deductibles, copays and out-of-pocket maximums. The scope includes all benefit plans within CF's portfolio, On and Off the Exchange. This is being done in a revenue-neutral way. The incentive payment for 2017 is estimated at \$5 PMPM.

We have also adjusted for anticipated higher RX rebates. We moved to a new "Pharmacy Benefits Manager" (PBM) in 2014. Our SRP time period had RX rebates at a certain level but the "rolling 3" (R3) estimate is rising. Therefore we projected for 2017 recognizing 100% of the R3 increase versus the SRP.

**Trend Factors (Cost/Utilization):** The proposed trend of 8.3% is an increase of 10 basis points over 2016's 8.2%. Trend regressions for ACA, metal to metal business are in the 8% to 9% range with "r-squared" values above 97%.

**4.4 CREDIBILITY MANUAL RATE DEVELOPMENT:** Not applicable, as experience was determined to be fully credible.

**4.5 CREDIBILITY OF EXPERIENCE:** The calendar 2015 base data includes 446,566 members months (average monthly of 37,214) and is therefore considered 100% credible.

**4.6 PAID TO ALLOWED RATIO:** Projected at 71.7%, on average.

#### 4.7 RISK ADJUSTMENT AND REINSURANCE:

**Experience Period Risk Adjustment and Reinsurance Adjustments PMPM:** The estimates of the experience period Risk Adjustment transfers in the URRT are based on a multi-carrier analysis by Wakely Consulting Group. The reinsurance estimates are based upon internal estimates of reinsured claim amounts, with experience paid through 02/29/16. Both estimates were performed at the metal level of granularity.

**Projected Risk Adjustments PMPM:** Our starting point was 2015 data from Wakely including an estimate of IBNR. CF's 2015 payment is estimated at \$99 and for 2017 at \$111. We referenced the CMS report released on 03/18/16 and used their state average premium of \$324.59 and billable members of 167,010. However, we used our own state average PLRS (1.3764 versus CMS' 1.309) and ARF (1.0831 versus CMS' 1.082) estimates since Wakely's PLRS includes an estimate of "incurred but not reported" claims. Since CF represents 82% of the market according to Wakely, our calculations assume that the state average scores will change in step with CF's changes from 2015 to 2016 to 2017. We have anchored on 2015 data including IBNR since we believe this best estimates final transfers. We itemize the variables such as "plan liability risk score" (PLRS), "allowable rating

factor” (ARF) and state averages assumed to calculate PMPM transfers. We assigned 50% credibility to our 2017 transfer payment of \$111 since 2016 data is preliminary.

Per the DISB’s request, CF has agreed to change its risk adjustment calculation from merged to unmerged starting in 2017. The impact was estimated to reduce the renewal by 370 basis points from 3.7% to 0.0%.

**Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only):** No longer applicable.

**4.8 NON-BENEFIT EXPENSES AND CONTRIBUTION TO RESERVE (CtR) & RISK:** The “desired incurred claims ratio” (DICR) has increased from 75.5% (2016) to 81.1% (2017).

**Administrative Expense Load:** PMPMs changed by 0.0% for total administrative expenses and broker fees, versus 2016. (Also included is the BlueRewards incentive cost.) Some expense increases are expected attributable to 1) ACA and operational complexity, 2) cybersecurity needs and 3) audit and compliance exposure and demands.

**CtR & Risk Margin:** Decreased from 2.0% to 0.0%, pre-tax.

**Taxes and Fees:**

- Premium Tax of 2.0%.
- Federal Income Tax (FIT) of 0.0% (0.7% last year).
- State Regulatory Trust Annual Assessment Fee of 0.04% (0.1% last year).
- Health Insurer Fee of 0.0% (2.6% last year).
- PCORI fee of \$0.20 PMPM (\$0.18 last year).
- Reinsurance contribution of \$0.00 PMPM (\$2.25 last year).
- Risk Adjustment User Fees of \$0.13 PMPM (\$0.15 last year).

**5 PROJECTED LOSS RATIO:** Our projected DICR for MLR purposes is 84.0%, meeting the 80.0% minimum of “Public Health Service Act” (PHSA) 218. We have included the cost of our medical expense debit cards (aforementioned in section 4.3) as quality improvement in the numerator. We believe this is consistent with the small group market and with 45 C.F.R. § 158.221 and 158.150(b)(2) in that these debit cards are rewards for participation in a bona fide wellness program aimed to improve health quality and care

**6 APPLICATION OF MARKET REFORM RATING RULES:**

**6.1 SINGLE RISK POOL (SRP):** Our SRP reflects all covered lives for every non-grandfathered product in our market per 45 CFR Part § 156.80 (d). It includes both Individual and Small group experience merged, per the DCHBX Carrier Reference Manual.

**6.2 INDEX RATE:** Last year’s 2014 EP index rate was \$434. This year’s 2015 EP index rate is \$467 for an increase of 8%. Last year’s projected index rate for 2016 was \$518. This year’s projected index rate for 2017 is \$551 for an increase of 6%. Because the index rate merges Individual non-Medigap (IND64-) and Small Group (SG), the starting point experience period index rate for IND64- is suppressed by 28% (i.e., the \$467 would have been \$652).

**6.3 MARKET ADJUSTED INDEX RATE:**

- **Federal Reinsurance Program Adjustment:** 1.000 for 2017 (0.976 last year).
- **Risk Adjustment:** 0.860 for 2017 (0.904 last year).
- **Marketplace User Fee Adjustment:** 1.00. Not applicable.

**6.4 PLAN ADJUSTED INDEX RATES:** The cost-share factor includes 1) pricing AVs and 2) induced demand. As a change from last year, we are not adjusting the index rate from experience period to projection period based on anticipated induced demand change. Instead we are including this in setting our utilization trend. The catastrophic factor has been developed from the experience of the catastrophic population, and applied only to the catastrophic plan as required.

**6.5 CALIBRATION:** Done for age only.

**Age Curve Calibration** – We have calibrated to an average age of 44 from the age curve.

**6.6 CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT:** Rate charts are provided for all of the consumer adjusted premiums.

## **7 PLAN PRODUCT INFORMATION:**

**7.1 HHS ACTUARIAL METAL VALUES (AV):** Some 2017 plans include varying cost share levels for some services that depend on the setting in which care is delivered, which is not accommodated by the Federal AV calculator. As an acceptable alternate method for unique plans, the Federal AV calculator was used to compute two separate AVs for each impacted plan – one which applied the higher level of cost share, and one which applied the lower. The results were blended assuming 2/3 of the designated services are rendered in higher cost share setting and the remaining 1/3 at the lower, consistent with experience for our SG and IND64- markets.

Those plans that lacked this site of service cost share variation were run through the Federal AV calculator without modification.

**7.2 AV PRICING VALUES:** The Plan Level Summary page shows the total AV Pricing Value, as well as the detail of each allowable rating factor that contributes to the total. Our internal pricing model was updated.

**7.3 MEMBERSHIP PROJECTIONS:** Projected enrollment is based on actual enrollment by plan as of 02/29/16. Final 2017 plan-level enrollment results from the underlying mapping of our 2016 plans into the proposed 2017 plan designs.

**7.4 TERMINATED PRODUCTS:** A listing of all terminated non-ACA products, as well as a list of the ACA plans being uniformly modified is included in the AM.

**7.5 PLAN TYPE:** HMO.

**7.6 WARNING ALERTS:**

- Several Warning Alerts are triggered through Section III on Worksheet 2. This is because Worksheet 1 is based on the combined Individual/small group experience per the DC HBX Carrier Manual, while Worksheet 2 includes only the Individual plans. Therefore, because of small group being included at the pool level but not on the plan level, there is a much larger difference than the 10% which triggers a warning alert.

## **8 MISCELLANEOUS INSTRUCTIONS:**

**8.1 Effective Rate Review Information:** N/A.

**8.2 Reliance:** Risk Adjustment analyses were provided to us by Wakely Consulting Group.

**8.3 Actuarial Certification:** Included in the AM.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**Rate Filing # 2112**

**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**

**Actuarial Memorandum**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Table of Contents**

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
GHMSI Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
GHMSI Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support For Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Plan Level Derivations	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Age Calibration Factor	30
<b>Appendix</b>	31
Rating Methodology	32
Reserving Methodology	33
DC Age Rating Factors	34
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	35 - 40
Max Renewal Increase	41
Capitations Summary	42
Summary of Existing ACA HIOS Data	43

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Actuarial Certification**

I, Brad Boban, am a Pricing Actuary with GHMSI doing business as CareFirst BlueChoice. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
  - a. a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
  - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs.
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

*Brad Boban, A.S.A., M.A.A.A.*

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**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Form Numbers**

**Form Numbers Associated With This ACA Filing:**

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<b>BluePreferred PPO Standard Plans</b>
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DC/CF/EXC/BP/IEA (R. 1/17)  
DC/CF/BP/EXC/DOCS (1/17)  
DC/CF/EXC/BP STD/BRZ 5000 (1/17)  
DC/CF/EXC/BP STD/GOLD 500 (1/17)  
DC/CF/EXC/BP STD/NATAMER SOB (1/17)  
DC/CF/EXC/BP STD/SIL 2000 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 73 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 87 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 94 (1/17)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 1/16)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 1/15  
DC/CF/PT PROTECT (9/10)

Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)  
DC Individual Exchange Products  
Rates Effective 1/1/2017  
HIOS Product IDs

ACA Products Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
78079DC021	BluePreferred	78079DC0210002	01	BluePreferred PPO Standard Bronze \$5,000	On	PPO	Yes	62.0%	Bronze	No	839
78079DC021	BluePreferred	78079DC0210004	01	BluePreferred PPO Standard Silver \$2,000 Base	On	PPO	Yes	71.7%	Silver	No	2,177
78079DC021	BluePreferred	78079DC0210004	04	BluePreferred PPO Standard Silver \$2,000 73%	On	PPO	Yes	73.0%	Silver	No	59
78079DC021	BluePreferred	78079DC0210003	01	BluePreferred PPO Standard Gold \$500	On	PPO	Yes	81.9%	Gold	No	2,713
Total											5,788

2017 Plan Mapping:

2016		2017	
HIOS Plan ID	Plan Name	HIOS Plan ID	Plan Name
78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base
78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500
78079DC0210001	BluePreferred PPO Standard Platinum \$0		

In 2017 all Non-Standard plans will be uniformly modified into the Standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

<b>Acronym</b>	<b>Definition</b>
GHMSI	Group Hospitalization and Medical Services, Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non- Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Arrangement
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual On & Off Exchange Products Rates Effective 1/1/2017**  
**IND64- District of Columbia GHMSI RATE CHANGE SUMMARY**

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING									
		Projected Members 12/31/17					Consumer		Consumer		
	2016	2017	PUBLIC	PRIVATE		HHS	Adj.	HHS	Adj.		
	Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	AV	Rate	AV	Rate		
						2016	1/1/16	2017	1/1/17	Δ	
1											
2											
3	<u>Bronze Plans</u>										
4	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
5	Subtotal:		839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
6											
7	<u>Silver Plans</u>										
8	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
9	BluePreferred PPO Standard Silver \$2,000		2,236	0	2,236	39%	0.704	\$338	0.717	\$334	-1.3%
10	Silver Subtotal		2,236	0	2,236	39%	0.696	\$289	0.717	\$334	15.5%
11											
12	<u>Gold Plans</u>										
13	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	47%	0.816	\$428	0.819	\$432	1.0%
14	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
15	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
16	Subtotal:		2,713	0	2,713	47%	0.862	\$474	0.819	\$432	-8.9%
17											
18	<u>Platinum Plans</u>										
19	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	n/a	n/a	n/a
20	Subtotal:		0	0	0	0%	0.912	\$521	0.000	\$0	0.0%
21	TOTAL:		5,788	0	5,788	100%	0.000	\$371	0.000	\$371	0.0%
22			100%	0%							
23	GHMSI		5,788	0	5,788		0.762	\$371	0.751	\$371	0.0%
24											
25	PPO/HMO Ratio:										
26	LOW RENEWAL (Minimum):									-17.0%	
27	HIGH RENEWAL (Maximum):									21.2%	

CareFirst, Inc. (CFI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia CFI RATE CHANGE SUMMARY

			RATE FILING				Consumer		Consumer		
			Projected Members 12/31/17				HHS	Adj.	HHS	Adj.	
	2016	2017	PUBLIC	PRIVATE			AV	Rate	AV	Rate	
	Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ
1	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%
2											
3											
4	Bronze Plans										
5	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
6	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
7	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
8	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
9	Subtotal:		4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%
10											
11	Silver Plans										
12	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
13	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
14	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
15	BluePreferred Standard Silver \$2000		2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
16	Subtotal:		4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%
17											
18	Gold Plans										
19	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
20	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
21	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
22	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
23	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
24	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
25	Subtotal:		5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%
26											
27	Platinum Plans										
28	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a
29	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a
30	Subtotal:		0	0	0	0%	0.912	\$492	0.000	\$0	n/a
31	TOTAL:		15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%
32			100%	0%							
33	BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
34	GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
35	Subtotal:		15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%
36											
37	PPO/HMO Ratio:						1.48		1.31		
38	LOW RENEWAL (Minimum):										-17.0%
39	HIGH RENEWAL (Maximum):										65.3%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**  
**Rate History**

				Consumer Adjusted Rates			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	\$ 237.79	\$ 251.65	\$ 256.57	\$ 273.93
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000	\$ 301.42	\$ 298.74	\$ 275.27	\$ 333.60
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	\$ 337.94	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	\$ 375.61	\$ 402.51	\$ 425.58	\$ 432.00
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	\$ 427.68	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		\$ 469.18	\$ 503.13	\$ 520.65	
				Renewals			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000		5.8%	2.0%	6.8%
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000		-0.9%	-7.9%	21.2%
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	-1.3%	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500		7.2%	5.7%	1.5%
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	1.0%	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		7.2%	3.5%	-17.0%	

\*Inception, except for the PPO Standard Silver \$2,000 and PPO Standard Gold \$500, both of which were new for 2016.

\*\*In 2017, we are uniformly modifying all members/plans into a single plan per metal level. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -17.0%  
Max 21.2%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**BluePreferred Projected Morbidity**

2017 Change in Morbidity Projection					
	2015 Actual SRP*		2017 Projected		
	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ
<b>Metal</b>					
Bronze	\$288	707	\$299	855	
Silver	\$469	965	\$441	2,585	
Gold	\$668	701	\$866	2,560	
Platinum	\$1,079	927			
<b>Ind Under 65 Single Risk Pool</b>	\$666	3,300	\$602	6,000	0.904
<b>Small Group Single Risk Pool</b>	\$484	33,175	\$484	33,679	1.000
<b>Combined Single Risk Pool</b>	<b>\$496</b>	<b>36,475</b>	<b>\$502</b>	<b>39,679</b>	<b>1.013</b>

\*Excludes Rx rebates and capitations.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017  
GHMSI D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (MERGED)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016
Experience Period Summary	Total				
Experience Period Premiums	\$ 215,112,455				
MLR Rebates	\$ -				
Net Experience Period Premiums	\$ 215,112,455				
Experience Period Paid Claims (Non-Capitated)	\$ 190,859,339				
Completion Factor	0.98				
Experience Period Incurred Claims (Non-Capitated)	\$ 194,074,820				
Capitations	\$ 473,767				
Rx Rebates	\$ (12,581,018)				
Other Manual Claims	\$ -				
Total Experience Period Claims	\$ 181,967,569				
Experience Period Loss Ratio (Before MLR Rebates)	84.59%				
Experience Period Loss Ratio (After MLR Rebates)	84.59%				
Experience Period Loss Ratio (System Claims Only)	90.22%				
Experience Period Member Months	446,566				
Average Members	37,214				
End of Experience Period Contracts	21,076				
End of Experience Period Members	36,508				
Experience Period Allowed Claims (Non-Capitated)	\$ 221,423,295				
Adjustments	\$ (12,107,251)				
Total Adjusted EP Allowed Claims	\$ 209,316,044				
EP Paid / Allowed Ratio	86.9%				

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,204	\$ 35,895,163	\$ -	\$ -	\$ 35,895,163
Outpatient	Visits	34,045	\$ 45,751,169	\$ -	\$ -	\$ 45,751,169
Professional	Visits	409,761	\$ 69,515,507	\$ -	\$ -	\$ 69,515,507
Other	Services	45,261	\$ 13,604,090	\$ -	\$ -	\$ 13,604,090
Rx	Scripts	360,984	\$ 56,657,366	\$ -	\$ (12,581,018)	\$ 44,076,349
Capitation	Average Members	37,214	\$ 473,767	\$ -	\$ -	\$ 473,767
Total			\$ 221,897,062	\$ -	\$ (12,581,018)	\$ 209,316,045
PMPM			\$ 496.90	\$ -	\$ (28.17)	\$ 468.72
Non-EHB Claims In Experience PMPM **						\$ 2.19
EP Index Rate for EHB						\$ 466.53

Annual Trend Inputs	
Cost Trend	Utilization Trend
0.0%	1.0%
9.0%	3.5%
2.0%	3.0%
0.0%	10.0%
9.5%	3.0%
0.0%	0.0%

													Effective Allowed PMPM			
Service Category Experience Period Allowed	Experience Period				Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected			Annual Trend			
	Utilization Measure	Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost	PMPM				
Inpatient	Admits	59.23	\$	16,283.93	\$	80.38	1.000	1.020	1.05	61.21	\$	16,494.95	\$	84.14	1.0%	
Outpatient	Visits	914.86	\$	1,343.83	\$	102.45	1.188	1.071	1.31	992.76	\$	1,617.30	\$	133.80	12.8%	
Professional	Visits	11,010.99	\$	169.65	\$	155.67	1.040	1.061	1.13	11,833.42	\$	178.79	\$	176.31	5.1%	
Other	Services	1,216.23	\$	300.57	\$	30.46	1.000	1.210	1.24	1,490.77	\$	304.47	\$	37.82	10.0%	
Rx	Scripts	9,700.26	\$	122.10	\$	98.70	1.199	1.061	1.22	10,424.79	\$	138.64	\$	120.44	12.8%	
Capitation	Benefit Period	1,000.00	\$	12.73	\$	1.06	1.000	1.000	0.83	1,000.00	\$	10.57	\$	0.88	0.0%	
Total						\$ 468.72								\$ 553.39	8.0%	
											Projected Allowed Claims PMPM (EHB + Non-EHB)			\$	553.39	
											Non-EHB Claims In Projected PMPM*			\$	2.43	
											Index Rate for EHB			\$	550.96	

\* Includes abortion claims and capitation for embedded adult vision benefit.

\*\* Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC GHMSI

		1	2	3	4	5	6	7	8	9	10	11	12	13
		2016 FILING						2017 FILING						
						Cost	Utilization	Claims	EXPERIENCE PERIOD		PROJECTED			vs 2016
GHMSI - DC		Allowed							Allowed		Cost	Utilization	Claims	
		Claims	%		Trend	Trend	Trend		Claims	%	Trend	Trend	Trend*	Δ
1	Inpatient	Hospital	\$40,005,763	17%	8.0%	1.0%	9.1%		\$35,895,163	16%	0.0%	1.0%	1.0%	-8.1%
2	Outpatient	Hospital	\$47,122,116	21%	3.5%	3.5%	7.1%		\$45,751,169	21%	9.0%	3.5%	12.8%	5.7%
3	Professional		\$74,124,676	32%	3.5%	1.5%	5.1%		\$69,515,507	31%	2.0%	3.0%	5.1%	0.0%
4	Other	Non-Capitated Ambulance	\$13,002,211	6%	4.0%	2.0%	6.1%		\$13,604,090	6%	0.0%	10.0%	10.0%	3.9%
5		Home Health												
6		DME												
7		Prosthetics												
8		Supplies												
9		Vision Exams												
10		Dental Services												
11		Other Services												
12	Medical	Subtotal (Clms-Wgtd):	\$174,254,765	76%	4.6%	2.0%	6.6%		\$164,765,929	74%	3.3%	3.3%	6.7%	0.1%
13														
14	Rx	Claims-Weighted	\$54,658,099	24%	13.0%	0.0%	13.0%		\$56,657,366	26%	9.5%	3.0%	12.8%	-0.2%
15	Total	Claims Weighted	\$228,912,864	100%	6.6%	1.5%	8.2%		\$221,423,295	100%	4.9%	3.2%	8.3%	0.1%
16														
17	Weighted Total DC (BC & GHMSI)												8.2%	

\* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Projected Risk Adjustment**

**2015**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	8,602	23%	0.907	1.240	-\$768,069	-\$89.29
Silver	10,786	29%	1.408	1.127	\$28,720	\$2.66
Gold	7,873	21%	1.719	1.066	\$388,067	\$49.29
Platinum	10,572	28%	3.197	1.043	\$4,063,933	\$384.39
Total	37,834	100%	1.859	1.117	\$3,712,652	\$98.13
Statewide						
	167,010	\$324.59	1.309	1.082		

**2016**

**Existing**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	7,500	15%	1.033	1.259	-\$527,783	-\$70.37
Silver	17,628	35%	1.528	1.185	\$253,768	\$14.40
Gold	11,904	24%	1.705	1.075	\$543,202	\$45.63
Platinum	12,828	26%	3.764	1.081	\$6,982,823	\$544.34
Total	49,860	100%	2.071	1.143	\$7,252,010	\$145.45

**New**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	2,076	13%	0.907	0.999	-\$74,780	-\$36.02
Silver	7,884	49%	1.408	1.080	\$131,829	\$16.72
Gold	3,288	20%	1.719	0.952	\$304,902	\$92.73
Platinum	2,940	18%	3.197	1.093	\$1,142,059	\$388.46
Total	16,188	100%	1.732	1.046	\$1,504,010	\$92.91

**All**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	9,576	14%	1.006	1.202	-\$602,564	-\$62.92
Silver	25,512	39%	1.491	1.153	\$385,598	\$15.11
Gold	15,192	23%	1.708	1.049	\$848,104	\$55.83
Platinum	15,768	24%	3.658	1.083	\$8,124,882	\$515.28
Total	66,048	100%	1.988	1.119	\$8,756,020	\$132.57

State Average Premium	\$345.65
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**2017**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	10,008	14%	0.987	1.164	-\$625,174	-\$62.47
Silver	30,358	43%	1.468	1.132	\$551,655	\$18.17
Gold	16,530	24%	1.710	1.028	\$1,178,885	\$71.32
Platinum	13,403	19%	3.332	1.075	\$6,682,343	\$498.58
Total	70,298	100%	1.812	1.101	\$7,787,710	\$110.78

State Average Premium	\$365.56
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Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Summary of Risk Adjustment\***

		(1)	(2)	(3) = (2) x 0.50 Proposed Risk Adjustment PMPM Applied to Projected Index Rate	(4) Risk Adjustment User Fee PMPM**	(5) Paid to Allowed Ratio	(6) = 1 + (((3)/(5))+(4)))/(1) Proposed Value for Rate Filing
		Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)				
<b>GHMSI</b>	2017	\$ 550.96	(\$110.78)	(\$55.39)	\$ 0.13	0.717	0.8599

\* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

\*\* Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual**

	1	2	3	4
		<b>Ind 64- DC GHMSI Projected 2017</b>		
		<b>PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical	\$ 430.52		
	RX	\$ 120.44		
	<b>TOTAL</b>	<b>\$ 550.96</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical	\$ 433.09		
	RX	\$ 120.44		
	<b>TOTAL</b>	<b>\$ 553.53</b>		
Projected EMMs		62,048		
Average Members		5,171		
Paid/Allowed Ratio		71.7%		
Paid Claims & Captns	\$	396.61		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(55.39)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(55.39)</b>		
Paid Claims & Captns (Post-3Rs)	\$	341.22	81.1%	\$ 21,172,205
Administrative Expense	\$	57.78	13.7%	\$ 3,585,198
Broker Commissions & Fee	\$	3.62	0.9%	\$ 224,363
Contribution to Reserve (CtR) - Post-FIT	\$	-	0.0%	\$ -
Investment Income Credit	\$	(0.00)	0.0%	\$ (25)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	8.42	2.0%	\$ 522,134
State Assessment Fees	\$	0.18	0.0%	\$ 11,321
State Income Tax (SIT)	\$	-	0.0%	\$ -
Federal Income Tax (FIT)	\$	-	0.0%	\$ -
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	-	0.0%	\$ -
Risk Adjustment User Fee	\$	0.13	0.0%	\$ 8,066
<b>Exchange Assessment Fee</b>	\$	4.21	1.0%	\$ 261,067
<b>Exchange User Fees (FFEs Only)</b>	\$	-	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.0%	\$ 12,136
BlueRewards/Incentive Program-Medical Debit Cards	\$	5.00	1.2%	\$ 310,240
Other	\$	-	0.0%	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>420.75</b>	<b>100.0%</b>	<b>\$ 26,106,705</b>
Contribution to Reserve (CtR) - Pre-FIT			0.0%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(55.39)		\$ (3,436,862)
Reinsurance Receipts	\$	-		\$ -
BlueRewards/Incentive Program-Medical Debit Cards	\$	-		\$ -
Quality Improvement Expenses (net after MLR reclass from care)	\$	4.95		\$ 307,037
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(3.78)		\$ (234,675)
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(54.22)</b>		<b>\$ (3,364,500)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	8.42		\$ 522,134
State Assmt Fee	\$	0.18		\$ 11,321
State Income Tax	\$	-		\$ -
Federal Income Tax	\$	-		\$ -
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	-		\$ -
Reinsurance Contribution	\$	-		\$ -
Reinsurance Admin. Fee	\$	-		\$ -
Risk Adj User Fees	\$	0.13		\$ 8,066
Exchange Assessment Fee	\$	4.21		\$ 261,067
Exchange User Fee	\$	-		\$ -
PCORI	\$	0.20		\$ 12,136
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>13.13</b>		<b>\$ 814,725</b>
FHCR Claims	\$	342.39		\$ 21,244,567
FHCR MLR Premium	\$	407.62		\$ 25,291,981
<b>FHCR Loss Ratio</b>		<b>84.0%</b>		

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Small Group**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	SG DC GHMSI Projected 1Q17			SG DC GHMSI Projected 2Q17			SG DC GHMSI Projected 3Q17			SG DC GHMSI Projected 4Q17			SG DC GHMSI Projected 2017			2017
			%	\$		%	\$		%	\$		%	\$		%	\$
<b>TRADITIONAL LOSS RATIO</b>																
Allowed Claims & Captns (EHB Only)	Medical	\$ 430.52		\$ 437.88			\$ 445.41			\$ 453.13			\$ 445.25			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 550.96</b>		<b>\$ 561.99</b>			<b>\$ 573.31</b>			<b>\$ 584.94</b>			<b>\$ 573.09</b>			
<b>Allowed Claims &amp; Captns (EHB &amp; Non-EHB)</b>																
	Medical	\$ 432.82		\$ 440.21			\$ 447.79			\$ 455.55			\$ 447.63			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 553.26</b>		<b>\$ 564.33</b>			<b>\$ 575.69</b>			<b>\$ 587.36</b>			<b>\$ 575.47</b>			
Projected EMMs		91,572		29,976			75,504			197,724			394,776			
Average Members		7,631		2,498			6,292			16,477			32,898			
%		23%		8%			19%			50%			100%			
Paid/Allowed Ratio		85.8%		85.8%			85.8%			85.8%			85.8%			
Paid Claims & Captns		\$ 474.65		\$ 484.00			\$ 493.88			\$ 503.89			\$ 493.68			
<b>"3Bs"</b>																
Risk Corridor		n/a		n/a			n/a			n/a			n/a			
Risk Adjustment/Transfer (Paid Claims Basis)		\$ (38.14)		\$ (3,492,590)			\$ (1,143,296)			\$ (2,879,751)			\$ (7,541,267)			\$ (15,056,904)
Reinsurance Recoveries (State & Federal)		\$ -		\$ -			\$ -			\$ -			\$ -			\$ -
(Individual Only, Paid Claims Basis)		\$ -		\$ -			\$ -			\$ -			\$ -			\$ -
<b>Subtotal:</b>		<b>\$ (38.14)</b>		<b>\$ (3,492,590)</b>			<b>\$ (1,143,296)</b>			<b>\$ (2,879,751)</b>			<b>\$ (7,541,267)</b>			<b>\$ (15,056,904)</b>
Paid Claims & Captns (Post-3Rs)		\$ 436.51	79.4%	\$ 39,971,936	\$ 445.86	78.9%	\$ 13,365,116	\$ 455.74	78.7%	\$ 34,410,111	\$ 465.75	78.3%	\$ 92,089,769	\$ 455.54	78.6%	\$ 179,836,932
Administrative Expense		\$ 49.46	9.0%	\$ 4,529,369	\$ 49.46	8.8%	\$ 1,482,684	\$ 49.46	8.5%	\$ 3,734,607	\$ 49.46	8.3%	\$ 9,779,889	\$ 49.46	8.5%	\$ 19,526,560
Broker Commissions & Fee		\$ 23.21	4.2%	\$ 2,124,949	\$ 23.21	4.1%	\$ 695,600	\$ 23.21	4.0%	\$ 1,752,088	\$ 23.21	3.9%	\$ 4,588,231	\$ 23.21	4.0%	\$ 9,160,868
Contribution to Reserve (CR) - Post-FIT		\$ 12.10	2.2%	\$ 1,107,639	\$ 12.42	2.2%	\$ 372,449	\$ 12.74	2.2%	\$ 962,111	\$ 13.09	2.2%	\$ 2,588,565	\$ 12.74	2.2%	\$ 5,030,764
Investment Income Credit		\$ (0.00)	0.0%	\$ (49)	\$ (0.00)	0.0%	\$ (16)	\$ (0.00)	0.0%	\$ (43)	\$ (0.00)	0.0%	\$ (115)	\$ (0.00)	0.0%	\$ (223)
<b>Non-ACA Taxes &amp; Fees</b>																
State Premium Tax		\$ 11.00	2.0%	\$ 1,006,944	\$ 11.30	2.0%	\$ 338,590	\$ 11.58	2.0%	\$ 874,646	\$ 11.90	2.0%	\$ 2,353,241	\$ 11.58	2.0%	\$ 4,573,422
State Assessment Fees		\$ 0.63	0.1%	\$ 57,886	\$ 0.65	0.1%	\$ 19,464	\$ 0.67	0.1%	\$ 50,280	\$ 0.68	0.1%	\$ 135,280	\$ 0.67	0.1%	\$ 262,911
State Income Tax (SIT)		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Federal Income Tax (FIT)		\$ 3.30	0.6%	\$ 302,083	\$ 3.39	0.6%	\$ 101,577	\$ 3.48	0.6%	\$ 262,394	\$ 3.57	0.6%	\$ 705,972	\$ 3.48	0.6%	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>																
Health Insurer Fee		\$ 0.37	0.1%	\$ 33,706	\$ 0.37	0.1%	\$ 152,553	\$ 0.37	0.1%	\$ 663,982	\$ 0.37	0.1%	\$ 2,711,716	\$ 0.37	0.1%	\$ 5,561,956
Reinsurance Contribution		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Reinsurance Administrative Fee		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Risk Adjustment User Fee		\$ 0.13	0.0%	\$ 11,904	\$ 0.13	0.0%	\$ 3,897	\$ 0.13	0.0%	\$ 9,816	\$ 0.13	0.0%	\$ 25,704	\$ 0.13	0.0%	\$ 51,321
Exchange Assessment Fee		\$ 5.50	1.0%	\$ 503,472	\$ 5.65	1.0%	\$ 169,295	\$ 5.79	1.0%	\$ 437,323	\$ 5.95	1.0%	\$ 1,176,620	\$ 5.79	1.0%	\$ 2,286,711
Exchange User Fees (FEs) Only		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax		\$ 0.20	0.0%	\$ 17,911	\$ 0.20	0.0%	\$ 5,863	\$ 0.20	0.0%	\$ 14,768	\$ 0.20	0.0%	\$ 40,052	\$ 0.20	0.0%	\$ 78,593
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42	1.3%	\$ 679,464	\$ 7.42	1.3%	\$ 222,422	\$ 7.42	1.3%	\$ 560,240	\$ 7.42	1.2%	\$ 1,467,112	\$ 7.42	1.3%	\$ 2,929,238
Other		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
<b>TOTAL</b>		<b>\$ 549.81</b>	<b>100.0%</b>	<b>\$ 50,347,214</b>	<b>\$ 564.77</b>	<b>100.0%</b>	<b>\$ 16,929,494</b>	<b>\$ 579.21</b>	<b>100.0%</b>	<b>\$ 43,732,323</b>	<b>\$ 595.08</b>	<b>100.0%</b>	<b>\$ 117,662,047</b>	<b>\$ 579.24</b>	<b>100.0%</b>	<b>\$ 228,671,078</b>
Contribution to Reserve (CLR) - Pre-FIT			2.8%			2.8%			2.8%			2.8%			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>																
Risk Adjustment		\$ (38.14)		\$ (3,492,590)	\$ (38.14)		\$ (1,143,296)	\$ (38.14)		\$ (2,879,751)	\$ (38.14)		\$ (7,541,267)	\$ (38.14)		\$ (15,056,904)
Reinsurance Receipts (Individual Only)		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42		\$ 679,464	\$ 7.42		\$ 222,422	\$ 7.42		\$ 560,240	\$ 7.42		\$ 1,467,112	\$ 7.42		\$ 2,929,238
Quality Improvement Expenses		\$ 4.82		\$ 441,769	\$ 4.82		\$ 144,612	\$ 4.82		\$ 364,252	\$ 4.82		\$ 953,875	\$ 4.82		\$ 1,904,508
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)		\$ 7.29		\$ 667,537	\$ 7.29		\$ 218,517	\$ 7.29		\$ 550,405	\$ 7.29		\$ 1,441,358	\$ 7.29		\$ 2,877,817
<b>Numerator (Claims) Adjustment</b>		<b>\$ (18.61)</b>		<b>\$ (1,703,821)</b>	<b>\$ (18.61)</b>		<b>\$ (557,744)</b>	<b>\$ (18.61)</b>		<b>\$ (1,404,854)</b>	<b>\$ (18.61)</b>		<b>\$ (3,678,922)</b>	<b>\$ (18.61)</b>		<b>\$ (7,345,340)</b>
Non-ACA: Taxes & Regulatory Fees																
State Premium Tax		\$ 11.00		\$ 1,006,944	\$ 11.30		\$ 338,590	\$ 11.58		\$ 874,646	\$ 11.90		\$ 2,353,241	\$ 11.58		\$ 4,573,422
State Asmt Fee		\$ 0.63		\$ 57,886	\$ 0.65		\$ 19,464	\$ 0.67		\$ 50,280	\$ 0.68		\$ 135,280	\$ 0.67		\$ 262,911
State Income Tax		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Federal Income Tax		\$ 3.30		\$ 302,083	\$ 3.39		\$ 101,577	\$ 3.48		\$ 262,394	\$ 3.57		\$ 705,972	\$ 3.48		\$ 1,372,026
ACA: Taxes & Regulatory Fees																
Health Insurer Fee		\$ 0.37		\$ 33,706	\$ 0.37		\$ 152,553	\$ 0.37		\$ 663,982	\$ 0.37		\$ 2,711,716	\$ 0.37		\$ 5,561,956
Reinsurance Contribution		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Reinsurance Admin. Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Risk Adj. User Fees		\$ 0.13		\$ 11,904	\$ 0.13		\$ 3,897	\$ 0.13		\$ 9,816	\$ 0.13		\$ 25,704	\$ 0.13		\$ 51,321
Exchange Assessment Fee		\$ 5.50		\$ 503,472	\$ 5.65		\$ 169,295	\$ 5.79		\$ 437,323	\$ 5.95		\$ 1,176,620	\$ 5.79		\$ 2,286,711
Exchange User Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
PCORI		\$ 0.20		\$ 17,911	\$ 0.20		\$ 5,863	\$ 0.20		\$ 14,768	\$ 0.20		\$ 40,052	\$ 0.20		\$ 78,593
<b>Denominator (Premium) Adjustment</b>		<b>\$ 21.12</b>		<b>\$ 1,933,906</b>	<b>\$ 26.40</b>		<b>\$ 791,239</b>	<b>\$ 30.64</b>		<b>\$ 2,313,209</b>	<b>\$ 36.15</b>		<b>\$ 7,148,585</b>	<b>\$ 30.87</b>		<b>\$ 12,186,940</b>
FHCR Claims		\$ 456.04		\$ 41,760,705	\$ 465.39		\$ 13,950,668	\$ 475.27		\$ 35,885,008	\$ 485.28		\$ 95,952,114	\$ 475.08		\$ 187,548,495
FHCR MLR Premium		\$ 528.69		\$ 48,413,308	\$ 538.37		\$ 16,138,255	\$ 548.57		\$ 41,419,114	\$ 558.93		\$ 110,513,461	\$ 548.37		\$ 216,484,138
<b>FHCR Loss Ratio</b>		<b>86.3%</b>			<b>86.4%</b>			<b>86.6%</b>			<b>86.8%</b>			<b>86.6%</b>		

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual and Small Group Combined**

	1	2	3	4
		<b>SG &amp; Ind DC GHMSI Projected 2017 PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical \$	443.25		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>570.08</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	445.65		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>572.49</b>		
Projected EMMs		456,824		
Average Members		38,069		
Paid/Allowed Ratio		83.9%		
Paid Claims & Captns	\$	480.50		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(40.48)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(40.48)</b>		
Paid Claims & Captns (Post-3Rs)	\$	<b>440.01</b>	<b>78.9%</b>	<b>\$ 201,009,137</b>
Administrative Expense	\$	<b>50.59</b>	9.1%	\$ 23,111,758
Broker Commissions & Fee	\$	<b>20.54</b>	3.7%	\$ 9,385,231
Contribution to Reserve (CTR) - Post-FIT	\$	<b>11.01</b>	<b>2.0%</b>	\$ 5,030,764
Investment Income Credit	\$	(0.00)	<b>0.0%</b>	\$ (248)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	11.15	<b>2.0%</b>	\$ 5,095,556
State Assessment Fees	\$	0.60	<b>0.1%</b>	\$ 274,232
State Income Tax (SIT)	\$	-	<b>0.0%</b>	\$ -
Federal Income Tax (FIT)	\$	3.00	<b>0.5%</b>	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	7.80	<b>1.4%</b>	\$ 3,561,956
<b>Reinsurance Contribution</b>	\$	-	<b>0.0%</b>	\$ -
<b>Reinsurance Administrative Fee</b>	\$	-	<b>0.0%</b>	\$ -
Risk Adjustment User Fee	\$	<b>0.13</b>	<b>0.0%</b>	\$ 59,387
<b>Exchange Assessment Fee</b>	\$	5.58	<b>1.0%</b>	\$ 2,547,778
<b>Exchange User Fees (FFEs Only)</b>	\$	-	<b>0.0%</b>	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	<b>0.20</b>	<b>0.0%</b>	\$ 90,729
BlueRewards/Incentive Program-Medical Debit Cards	\$	<b>7.09</b>	1.3%	\$ 3,239,478
Other	\$	-	<b>0.0%</b>	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>557.72</b>	<b>100.0%</b>	<b>\$ 254,777,783</b>
Contribution to Reserve (CTR) - Pre-FIT			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(40.48)	\$	(18,493,766)
Reinsurance Receipts (Individual Only)	\$	-	\$	-
BlueRewards/Incentive Program-Medical Debit Cards	\$	6.41	\$	2,929,238
Quality Improvement Expenses	\$	4.84	\$	2,211,545
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	5.79	\$	2,643,142
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(23.44)</b>	<b>\$</b>	<b>(10,709,841)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	11.15	\$	5,095,556
State Assmt Fee	\$	0.60	\$	274,232
State Income Tax	\$	-	\$	-
Federal Income Tax	\$	3.00	\$	1,372,026
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	7.80	\$	3,561,956
Reinsurance Contribution	\$	\$0.00	\$	-
Reinsurance Admin. Fee	\$	\$0.00	\$	-
Risk Adj User Fees	\$	0.13	\$	59,387
Exchange Assessment Fee	\$	5.58	\$	2,547,778
Exchange User Fee	\$	-	\$	-
PCORI	\$	0.20	\$	90,729
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>28.46</b>	<b>\$</b>	<b>13,001,664</b>
FHCR Claims	\$	457.05	\$	208,793,062
FHCR MLR Premium	\$	529.25	\$	241,776,119
<b>FHCR Loss Ratio</b>		<b>86.4%</b>		

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
IND64- DC GHMSI PLAN LEVEL DERIVATIONS

	1	2	3	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22					
		ON-	OFF-	TOTAL		PROJ INDEX	Market-Level Adjustments (MLA)				Mkt-Adj INDEX	Plan-Level Adjustments (PLA)										Plan-Adj INDEX	Normalization/Calibration				Consumer Adjusted		
		Exchange 2017 Projected EMMs	Exchange 2017 Projected EMMs	2017 Projected EMMs	%	RATE (Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	RATE (Post- MLA)	CF Pricing Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	RATE (Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	PREMIUM RATES 2017		
1		Benefit Plan																											
2		Bronze Plans																											
3		BluePreferred PPO Standard Bronze \$5,000	8,996	0	8,996	14%	\$551	1.000	0.860	1.000	0.860	\$474	0.578	1.006	0.908	0.528	1.000	1.009	1.000	1.233	0.657	\$311	62.0%	0.880	1.000	1.000	0.880	\$274	
4		Subtotal:	8,996	0	8,996	14%	\$551	1.000	0.860	1.000	0.860	\$474	0.578	1.006	0.908	0.528	1.000	1.009	1.000	1.233	0.657	\$311	62.0%	0.880	1.000	1.000	0.880	\$274	
5		Silver Plans																											
6		BluePreferred PPO Standard Silver \$2,000	23,971	0	23,971	39%	\$551	1.000	0.860	1.000	0.860	\$474	0.685	1.006	0.935	0.644	1.000	1.008	1.000	1.233	0.800	\$379	71.7%	0.880	1.000	1.000	0.880	\$334	
7		Subtotal:	23,971	0	23,971	39%	\$551	1.000	0.860	1.000	0.860	\$474	0.685	1.006	0.935	0.644	1.000	1.008	1.000	1.233	0.800	\$379	71.7%	0.880	1.000	1.000	0.880	\$334	
8		Gold Plans																											
9		BluePreferred PPO Standard Gold \$500	29,081	0	29,081	47%	\$551	1.000	0.860	1.000	0.860	\$474	0.846	1.006	0.980	0.835	1.000	1.006	1.000	1.233	1.036	\$491	81.9%	0.880	1.000	1.000	0.880	\$432	
10		Subtotal:	29,081	0	29,081	47%	\$551	1.000	0.860	1.000	0.860	\$474	0.846	1.006	0.980	0.835	1.000	1.006	1.000	1.233	1.036	\$491	81.9%	0.880	1.000	1.000	0.880	\$432	
11		TOTAL:	62,048	0	62,048	100%	\$551	1.000	0.860	1.000	0.860	\$474	0.745	1.006	0.952	0.717	1.000	1.007	1.000	1.233	0.890	\$422	75.1%	0.880	1.000	1.000	0.880	\$371	
12		Average:	5,171	0	5,171																								
13		Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A./Non-H.S.A., Benefit Generosity/Induced Demand.																											
14		Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."																											
15		Network = HMO Open Access and PPO/RPN.																											

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined**

		Item Calculation
2015 AV	83.34%	(1)
2015 Induced Demand Factor	1.103	(2)
2017 AV	83.29%	(3)
2017 Induced Demand Factor	1.103	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	0.0%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Calculation of Other Projection Factors**

<b>Ind&lt;65</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.940	0.952
Capitation	1.000	0.830	1.000	0.830

<b>Small Group</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.934	0.946
Capitation	1.000	0.830	1.000	0.830

<b>Combined</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.935	0.947
Capitation	1.000	0.830	1.000	0.830

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for "Other" adjustment factors**

**1. Factors to adjust for capitation schedule changes**

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.06	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	(\$0.18)	(2)	
Projection Period Capitation PMPM	\$0.88	(3)	
<b>Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)</b>			
	<b>-17.0%</b>		<b>(4) = [(3) / (1)] - 1</b>

**2. Rx Rebates Adjustment**

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

**Ind64-**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$173.15	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Ind64- Only)</b>	<b>-6.0%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

**Small Group**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$122.60	(1)	
Experience Period Rx Rebates PMPM	(\$29.28)	(2)	
Projection Period Rx Rebates PMPM	(\$35.43)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Small Group Only)</b>	<b>-6.6%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

<b>Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)</b>	<b>-6.5%</b>
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**3. Demographic Factor Derivation (see page 19 for details)**

<b>Demographic Impact (Blended Across Single Risk Pool)</b>	<b>1.3%</b>
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Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**

**Demographic Factor Derivation**

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	Change
Totals	42,781	72,534.40		43,323	74,405.20	1.3%
Average Age Factor		1.695			1.717	20.2%
Average Age		42.4			42.6	
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	9858	0.750	7,393.50	9531	0.750	7,148.25
21	326	1.000	325.83	305	1.000	305.33
22	491	1.016	498.75	420	1.016	427.11
23	650	1.048	681.28	607	1.048	636.72
24	792	1.065	842.92	706	1.065	751.90
25	948	1.081	1,024.27	869	1.081	939.44
26	1210	1.113	1,346.43	1182	1.113	1,315.82
27	1078	1.129	1,217.10	1076	1.129	1,214.84
28	1063	1.145	1,217.31	1112	1.145	1,273.42
29	1083	1.177	1,275.15	1134	1.177	1,335.19
30	1004	1.194	1,198.32	1126	1.194	1,343.94
31	1024	1.226	1,255.23	1065	1.226	1,305.48
32	1013	1.242	1,258.08	1053	1.242	1,307.76
33	910	1.274	1,159.52	1035	1.274	1,318.79
34	862	1.290	1,112.26	941	1.290	1,214.19
35	901	1.323	1,191.65	889	1.323	1,175.77
36	824	1.339	1,103.10	911	1.339	1,219.56
37	802	1.371	1,099.52	851	1.371	1,166.69
38	753	1.403	1,056.63	826	1.403	1,159.06
39	741	1.419	1,051.74	783	1.419	1,111.35
40	716	1.452	1,039.35	757	1.452	1,098.87
41	671	1.548	1,038.97	678	1.548	1,049.81
42	702	1.629	1,143.58	690	1.629	1,124.03
43	676	1.694	1,144.84	715	1.694	1,210.89
44	706	1.774	1,252.58	707	1.774	1,254.35
45	724	1.855	1,342.90	711	1.855	1,318.79
46	734	1.952	1,432.48	718	1.952	1,401.26
47	660	2.032	1,341.29	727	2.032	1,477.45
48	637	2.129	1,356.19	653	2.129	1,390.26
49	654	2.226	1,455.68	633	2.226	1,408.94
50	587	2.323	1,363.35	622	2.323	1,444.65
51	630	2.468	1,554.68	592	2.468	1,460.90
52	618	2.597	1,604.81	652	2.597	1,693.10
53	660	2.710	1,788.39	593	2.710	1,606.84
54	621	2.823	1,752.82	630	2.823	1,778.23
55	561	2.968	1,664.90	612	2.968	1,816.26
56	535	3.097	1,656.77	564	3.097	1,746.58
57	541	3.258	1,762.61	546	3.258	1,778.90
58	497	3.387	1,683.39	545	3.387	1,845.97
59	503	3.565	1,792.95	512	3.565	1,825.03
60	502	3.710	1,862.26	532	3.710	1,973.55
61	456	3.871	1,765.16	495	3.871	1,916.13
62	454	4.065	1,845.29	484	4.065	1,967.23
63	464	4.258	1,975.74	449	4.258	1,911.87
64 and Over	1940	4.435	8,604.84	2082	4.435	9,234.68
	<b>42,781</b>		<b>72,534.40</b>	<b>43,323</b>		<b>74,405.20</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined**

**Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)**

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM
GHMSI	1,099,726	550,798	<b>\$2.00</b>

	Projected PMPM
1Q17	\$2.34
2Q17	\$2.39
3Q17	\$2.44
4Q17	\$2.48

**Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)**

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group
\$1.16	90%	\$1.04	<b>\$0.09</b>

	Projected PMPM
1Q17	\$0.09
2Q17	\$0.09
3Q17	\$0.09
4Q17	\$0.09

	Projection Period Non-EHB
1Q17	<b>\$2.43</b>
2Q17	<b>\$2.48</b>
3Q17	<b>\$2.53</b>
4Q17	<b>\$2.57</b>

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
Estimate of non-EHB in Experience and Projection Periods

Abortion:

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected Allowed	Projected 2017 Member Months (On-Exchange)	Projected PMPM
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
<b>SUM:</b>	<b>\$263,533</b>	<b>185,889</b>	<b>\$1.42</b>	<b>\$245,398</b>	<b>160,801</b>	<b>\$1.53</b>

Core Vision

	% Membership	Experience Period Capitation	Future Capitation PMPM
		\$0.10	\$1.22
% pediatric members	1%	\$0.00 EHB portion of capitation	\$0.02
% non-pediatric	99%	\$0.10 non-EHB portion of capitation	\$1.04

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI - Abortion Cost Test > \$1.00**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	Overall
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 3.10	\$ 2.55	\$ 1.96	\$ <b>2.35</b>
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	
Risk Adjustment	0.860	0.860	0.860	
Exchange User Fees	1.000	1.000	1.000	
<b>Index Rate - Post Market Level Adj.</b>	<b>\$2.67</b>	<b>\$2.19</b>	<b>\$1.69</b>	\$ <b>2.03</b>
Cost-Share Factor	0.528	0.644	0.835	0.811
Network & UM	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.000	1.000	1.000	<b>1.000</b>
Catastrophic Adj	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.233	1.233	1.233	<b>1.233</b>
<b>Index Rate - Plan Level</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>
Pricing AV	65.1%	79.4%	102.9%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
Lowest Age Factor >= \$1.00	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	
HSA/Non-HSA Factor	1.01	1.01	1.01	<b>1.01</b>
Benefit Generosity Factor	0.91	0.93	0.98	<b>0.95</b>
Allowed non-EHB	\$2.57	\$2.57	\$2.57	<b>\$2.57</b>
<b>2016 Index Rate - Plan Level</b>	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>2016 Base Premium</b>	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI Plan Level Rate Derivation - On Exchange**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	Overall
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 550.96	\$ 550.96	\$ 550.96	\$ 550.96
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	1.000
Risk Adjustment	0.860	0.860	0.860	0.860
Exchange User Fees	1.000	1.000	1.000	1.000
<b>Index Rate - Post Market Level Adj.</b>	<b>\$473.78</b>	<b>\$473.78</b>	<b>\$473.78</b>	<b>\$ 473.78</b>
Cost-Share Factor	0.528	0.644	0.835	0.717
Network & UM	1.000	1.000	1.000	1.000
Non-EHB	1.009	1.008	1.006	1.007
Catastrophic Adj	1.000	1.000	1.000	1.000
Distribution & Admin Cost	1.233	1.233	1.233	1.233
<b>Index Rate - Plan Level</b>	<b>\$311.19</b>	<b>\$378.97</b>	<b>\$490.75</b>	<b>\$421.53</b>
Pricing AV	65.7%	80.0%	103.6%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$273.93</b>	<b>\$333.60</b>	<b>\$432.00</b>	<b>\$371.07</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
<b>2016 Index Rate - Plan Level</b>	\$ 291.72	\$ 328.31	\$ 539.28	\$ 421.88
<b>% Change</b>	<b>6.7%</b>	<b>15.4%</b>	<b>-9.0%</b>	<b>-0.1%</b>
<b>2016 Base Premium</b>	\$ 256.57	\$ 288.75	\$ 474.30	\$ 371.05
<b>% Change</b>	<b>6.8%</b>	<b>15.5%</b>	<b>-8.9%</b>	<b>0.0%</b>

<b>Non-EHB</b>			
Core Vision (Adult)	\$1.04	\$1.04	\$1.04
Abortion	\$3.10	\$2.55	\$1.96

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members
16,832	1,832	15,000
On Exchange	100%	15,000

\*Stonegate study used to project % purchasing by metal level

Metal Level	% purchased	Members Purchased
Catastrophic	5%	769
Bronze	27%	4,013
Silver	32%	4,804
Gold	36%	5,414
Total	100%	15,000

% by FPL Estimate	
<150%	0.0%
151%-200%	0.0%
201%-250%	1.1%
251%+	98.9%
Total	100.0%

			Distribution of Non-GF Membership												
			January 60%	February 10%	March 10%	April 10%	May 3.0%	June 1.0%	July 1.0%	August 1.0%	September 1.0%	October 1.0%	November 1.0%	December 1.0%	100.0%
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244
<b>Bronze Plans</b>	<b>4,013</b>														
BluePreferred PPO Standard Bronze \$5,000	21%	839	6042	923	839	755	201	59	50	42	34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024
<b>Silver Plans</b>	<b>4,804</b>														
BlueChoice HMO Standard Silver \$2000	51%	2,464	17741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Gold Plans</b>	<b>5,414</b>														
BlueChoice HMO Standard Gold \$500	50%	2,701	19449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081
<b>BluePreferred Subtotal</b>	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048
<b>BlueChoice Subtotal</b>	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753
<b>Grand Total</b>	100.0%	15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801

62,048	Member Months
98,753	Member Months
160,801	Member Months

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Pricing AV**

Projected EMMs (PPO)	Plan Name	AV w/ Federal model (Different allowed per metal)	AV from internal Model (Fixed allowed per metal)	AV from internal Model All Silver at Base	Induced Utilization (Adj. allowed per fed Model)	Induced Utilization Scaled	HSA vs Non- HSA (Adj for HSA behavior)	HSA vs Non- HSA Scaled
8,996	BluePreferred PPO Standard Bronze \$5,000	62.0%	57.8%	57.8%	1.00	0.91	1.006	1.006
23,340	BluePreferred PPO Standard Silver \$2,000	71.7%	68.5%	68.5%	1.03	0.93	1.006	1.006
631	CSR 200-250%	73.0%	70.8%	68.5%	1.03	0.93	1.006	1.006
29,081	BluePreferred PPO Standard Gold \$500	81.9%	84.6%	84.6%	1.08	0.98	1.006	1.006
<b>62,048</b>		<b>75.1%</b>	<b>74.5%</b>	<b>74.5%</b>	<b>1.05</b>	<b>0.95</b>	<b>1.006</b>	<b>1.006</b>
<b>Silver Average</b>			<b>68.5%</b>			0.93		1.01
Fed Ave subsidy on Silver			0.1%					
			68.5%					

Internal AV model was developed using 2015 claims data.

Support for the normalization of factors can be found on page 29.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for Normalization Across Individual (Ind) and Small Group (SG)**

<b>Metal Level</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Platinum</b>	SG & Ind	1.150	214,896	1.044
<b>Gold</b>	SG & Ind	1.080	145,505	0.980
<b>Silver</b>	SG & Ind	1.030	86,796	0.935
<b>Silver CSR</b>	Ind	1.030	631	0.935
<b>Bronze</b>	SG & Ind	1.000	8,996	0.908
		1.102	456,824	1.000

  

<b>HSA/HRA</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Other</b>	SG	0.960	58,284	0.960
	SG & Ind		398,540	1.006
			456,824	1.000



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Age Factor Calibration**

Member Age	Member Count	Members * Age Factor	Age Rate
0-20	673	440	\$ 317.27
21	26	19	\$ 352.69
22	40	29	\$ 352.69
23	39	28	\$ 352.69
24	37	27	\$ 352.69
25	49	36	\$ 352.69
26	93	68	\$ 352.69
27	192	140	\$ 352.69
28	185	138	\$ 360.94
29	194	147	\$ 368.70
30	166	129	\$ 377.91
31	161	129	\$ 387.62
32	187	153	\$ 396.35
33	163	136	\$ 405.57
34	151	129	\$ 415.27
35	135	118	\$ 424.97
36	151	135	\$ 434.67
37	160	147	\$ 444.38
38	142	132	\$ 449.71
39	125	117	\$ 455.05
40	124	121	\$ 473.00
41	99	100	\$ 491.43
42	110	116	\$ 510.84
43	103	113	\$ 530.73
44	95	108	\$ 551.59
45	93	110	\$ 572.94
46	92	113	\$ 595.25
47	109	139	\$ 618.54
48	105	139	\$ 642.79
49	87	120	\$ 668.02
50	89	127	\$ 694.22
51	82	122	\$ 721.39
52	101	156	\$ 749.52
53	89	143	\$ 778.63
54	85	142	\$ 809.19
55	95	165	\$ 840.73
56	78	140	\$ 873.72
57	87	163	\$ 907.67
58	85	165	\$ 943.09
59	86	174	\$ 979.96
60	98	206	\$ 1,018.28
61	81	177	\$ 1,058.06
62	103	225	\$ 1,058.06
63	69	150	\$ 1,058.06
64+	197	430	\$ 1,058.06
<b>Grand Total</b>	<b>5,511</b>	<b>6,259</b>	

**Avg Age Factor:** 1.136 = 6,259/5,511

**\$ 550.96**

**Interpolated Age:** (based on DC Age Curve) **43.97** **Closest Age:** (as an Integer, based on DC Age Curve) **44.0**

**Avg Age Factor:** 1.136 **DC Factor** (matching above integer) 1.137  
**1/1.136 = 0.880** **Calibration Factor:** 1/1.137 = 0.880

Value of calibration factor  
- adjustment to DC Factor  
-0.1%  
= 0.880/0.880 - 1

# Appendix

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Rating Methodology**

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factors will be multiplied together to get the composite member factor.

Once each member's composite factor is computed, they are added together to get the total factor for the policy. Each family member is included in the calculation, except for families that have four or more children 20 years of younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Reserve Calculation Methodology**

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**2017 DC Age Rating Factors**

Age Band	Age Factor	Age Factor % Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Inpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Admits	Allowed	Admits/1 000	Unit Cost	Allowed	Admits/1000	Unit Cost
201304	21,193	38,080	2,706,146	158	1.00	2,706,146	158						
201305	21,193	37,963	2,328,360	182	1.00	2,328,360	182						
201306	21,060	37,755	2,621,955	183	1.00	2,621,955	183						
201307	21,055	37,782	2,467,150	183	1.00	2,467,151	183						
201308	21,353	38,228	2,531,449	182	1.00	2,531,450	182						
201309	21,182	37,860	4,240,017	166	1.00	4,240,034	166						
201310	21,207	37,864	2,806,086	163	1.00	2,806,131	163						
201311	21,254	38,041	2,919,765	182	1.00	2,919,843	182						
201312	21,331	38,279	2,854,604	183	1.00	2,854,683	183						
201401	24,902	44,057	5,284,759	242	1.00	5,284,972	242						
201402	25,080	44,387	3,061,450	223	1.00	3,061,667	223						
201403	24,931	44,090	3,129,745	234	1.00	3,129,990	234	77.90	57.70	\$16,199.64			
201404	24,785	43,924	3,482,980	224	1.00	3,483,296	224	78.57	58.65	\$16,075.08			
201405	24,805	43,935	2,515,112	204	1.00	2,515,966	204	77.99	58.47	\$16,004.50			
201406	24,716	43,873	3,541,957	214	1.00	3,543,615	214	78.89	58.50	\$16,181.12			
201407	24,316	43,152	3,125,059	199	1.00	3,126,897	199	79.36	58.26	\$16,346.26			
201408	24,062	42,822	5,181,493	198	1.00	5,185,635	198	83.92	58.11	\$17,328.84			
201409	23,690	42,199	2,518,516	180	1.00	2,520,958	180	79.81	57.95	\$16,525.84			
201410	23,274	41,506	3,974,070	200	1.00	3,978,486	200	81.54	58.41	\$16,750.17			
201411	22,980	40,925	2,746,742	170	1.00	2,750,780	170	80.75	57.81	\$16,761.38			
201412	21,579	38,192	2,412,514	188	1.00	2,417,050	188	79.91	57.95	\$16,548.57			
201501	21,542	37,787	3,051,955	165	1.00	3,058,941	165	76.51	56.85	\$16,149.90			
201502	21,542	37,690	2,169,380	170	1.00	2,175,110	170	75.76	56.35	\$16,133.93			
201503	21,607	37,674	3,286,825	226	1.00	3,298,592	227	77.09	56.90	\$16,255.76	-1.0%	-1.4%	0.3%
201504	21,614	37,643	2,871,128	184	0.99	2,887,588	185	76.86	56.68	\$16,272.15	-2.2%	-3.4%	1.2%
201505	21,454	37,323	3,169,873	189	0.99	3,194,026	190	79.32	57.12	\$16,665.36	1.7%	-2.3%	4.1%
201506	21,398	37,220	3,518,275	176	0.99	3,553,332	178	80.46	57.00	\$16,938.61	2.0%	-2.6%	4.7%
201507	21,342	37,169	3,425,587	201	0.99	3,470,365	204	82.22	57.84	\$17,056.91	3.6%	-0.7%	4.3%
201508	21,210	36,937	3,058,978	185	0.98	3,119,754	189	78.80	58.33	\$16,209.44	-6.1%	0.4%	-6.5%
201509	21,229	36,930	2,982,819	169	0.97	3,064,581	174	80.89	58.83	\$16,499.42	1.4%	1.5%	-0.2%
201510	21,162	36,764	3,055,234	186	0.96	3,172,910	193	79.96	59.26	\$16,190.92	-1.9%	1.5%	-3.3%
201511	21,237	36,921	1,986,932	139	0.94	2,108,233	147	79.24	59.18	\$16,067.03	-1.9%	2.4%	-4.1%
201512	21,076	36,508	2,577,822	168	0.92	2,791,730	182	80.38	59.23	\$16,283.93	0.6%	2.2%	-1.6%
201601	21,871	37,311	2,092,577	154	0.78	2,692,072	198	79.64	60.19	\$15,879.60	4.1%	5.9%	-1.7%
201602	22,711	38,298	384,657	32	0.28	1,393,274	116	77.79	58.63	\$15,920.89	2.7%	4.0%	-1.3%
Experience Period													
Period		256,413	446,566	35,154,806	2,158	0.98	35,895,163	2,204					
201503		21,607	37,674								-1.0%	-1.4%	0.3%
201509		21,229	36,930								1.4%	1.5%	-0.2%
201512		21,076	36,508								0.6%	2.2%	-1.6%
Avg last 6 months		21,209	36,872								-0.7%	1.2%	-1.9%
Selected Pricing Trend												1.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Outpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	21,193	38,080	3,124,547	2,675	1.00	3,124,547	2,675						
201305	21,193	37,963	3,196,739	2,705	1.00	3,196,739	2,705						
201306	21,060	37,755	2,952,037	2,541	1.00	2,952,037	2,541						
201307	21,055	37,782	3,352,561	2,681	1.00	3,352,562	2,681						
201308	21,353	38,228	3,087,963	2,707	1.00	3,087,965	2,707						
201309	21,182	37,860	2,918,120	2,561	1.00	2,918,132	2,561						
201310	21,207	37,864	3,368,061	2,803	1.00	3,368,114	2,803						
201311	21,254	38,041	2,980,658	2,499	1.00	2,980,738	2,499						
201312	21,331	38,279	3,066,125	2,745	1.00	3,066,211	2,745						
201401	24,902	44,057	3,631,473	3,220	1.00	3,631,611	3,220						
201402	25,080	44,387	3,541,154	2,970	1.00	3,541,389	2,970						
201403	24,931	44,090	4,133,029	3,156	1.00	4,133,319	3,156	82.96	841.43	\$1,183.07			
201404	24,785	43,924	3,761,331	3,258	1.00	3,761,719	3,258	83.27	845.77	\$1,181.51			
201405	24,805	43,935	3,664,390	3,160	1.00	3,665,771	3,161	83.22	846.64	\$1,179.47			
201406	24,716	43,873	3,782,931	3,151	1.00	3,784,718	3,152	83.87	851.03	\$1,182.66			
201407	24,316	43,152	4,131,300	3,204	1.00	4,133,627	3,206	84.54	854.50	\$1,187.18			
201408	24,062	42,822	4,019,387	3,027	1.00	4,022,413	3,029	85.62	854.38	\$1,202.62			
201409	23,690	42,199	3,677,139	3,204	1.00	3,680,697	3,207	86.40	862.37	\$1,202.22			
201410	23,274	41,506	4,504,989	3,368	1.00	4,510,129	3,372	88.02	869.59	\$1,214.61			
201411	22,980	40,925	3,909,356	2,895	1.00	3,915,330	2,899	89.34	874.07	\$1,226.60			
201412	21,579	38,192	4,201,120	2,950	1.00	4,209,143	2,956	91.59	879.14	\$1,250.14			
201501	21,542	37,787	4,014,544	2,855	1.00	4,022,647	2,861	93.49	881.50	\$1,272.71			
201502	21,542	37,690	3,258,294	2,473	1.00	3,267,034	2,480	94.20	881.54	\$1,282.24			
201503	21,607	37,674	3,871,159	2,909	1.00	3,884,583	2,919	94.92	887.23	\$1,283.76	14.4%	5.4%	8.5%
201504	21,614	37,643	3,844,032	2,738	0.99	3,866,070	2,754	96.35	886.24	\$1,304.65	15.7%	4.8%	10.4%
201505	21,454	37,323	3,659,514	2,685	0.99	3,687,453	2,705	97.72	887.05	\$1,321.99	17.4%	4.8%	12.1%
201506	21,398	37,220	3,707,901	2,796	0.99	3,745,006	2,824	99.01	891.19	\$1,333.20	18.0%	4.7%	12.7%
201507	21,342	37,169	3,589,807	2,848	0.99	3,636,810	2,885	99.21	894.36	\$1,331.21	17.4%	4.7%	12.1%
201508	21,210	36,937	3,571,519	2,797	0.98	3,642,212	2,852	99.66	901.15	\$1,327.03	16.4%	5.5%	10.3%
201509	21,229	36,930	3,441,562	2,725	0.97	3,535,624	2,799	100.49	900.84	\$1,338.58	16.3%	4.5%	11.3%
201510	21,162	36,764	3,903,134	2,770	0.96	4,053,445	2,877	100.53	897.14	\$1,344.68	14.2%	3.2%	10.7%
201511	21,237	36,921	3,831,600	2,802	0.94	4,065,368	2,973	101.76	907.13	\$1,346.18	13.9%	3.8%	9.7%
201512	21,076	36,508	4,013,620	2,877	0.92	4,344,916	3,116	102.45	914.86	\$1,343.83	11.9%	4.1%	7.5%
201601	21,871	37,311	3,561,668	2,563	0.78	4,577,771	3,295	103.80	927.50	\$1,343.02	11.0%	5.2%	5.5%
201602	22,711	38,298	878,827	938	0.28	3,119,677	3,323	103.33	948.91	\$1,306.77	9.7%	7.6%	1.9%
Experience													
Period	256,413	446,566	44,706,687	33,275	0.98	45,751,169	34,045						
201503	21,607	37,674									14.4%	5.4%	8.5%
201509	21,229	36,930									16.3%	4.5%	11.3%
201512	21,076	36,508									11.9%	4.1%	7.5%
Avg last 6 months	21,209	36,872									15.0%	4.3%	10.3%
Selected Pricing Trend												3.5%	9.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Professional**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

						Completed		Rolling 12 PMPM			Rolling 12 Trend						
Month	Contracts	Members	Allowed	Visits	Completion Factor	Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost				
201304	21,193	38,080	5,520,794	34,554	1.00	5,520,794	34,554										
201305	21,193	37,963	5,388,719	33,999	1.00	5,388,719	33,999										
201306	21,060	37,755	4,958,844	30,922	1.00	4,958,844	30,922										
201307	21,055	37,782	5,262,810	32,865	1.00	5,262,812	32,865										
201308	21,353	38,228	5,215,064	32,386	1.00	5,215,067	32,386										
201309	21,182	37,860	5,243,720	31,924	1.00	5,243,741	31,924										
201310	21,207	37,864	5,875,607	37,231	1.00	5,875,701	37,232										
201311	21,254	38,041	5,155,049	32,676	1.00	5,155,187	32,677										
201312	21,331	38,279	5,182,613	31,902	1.00	5,182,758	31,903										
201401	24,902	44,057	6,850,811	39,547	1.00	6,851,089	39,549										
201402	25,080	44,387	5,907,566	35,171	1.00	5,907,976	35,173										
201403	24,931	44,090	6,161,660	37,366	1.00	6,162,090	37,369							140.66	10,385.27	\$162.52	
201404	24,785	43,924	6,409,920	39,255	1.00	6,410,566	39,259							140.80	10,376.45	\$162.83	
201405	24,805	43,935	6,341,589	38,630	1.00	6,344,006	38,645							141.03	10,363.66	\$162.30	
201406	24,716	43,873	6,194,808	37,835	1.00	6,197,750	37,853							141.80	10,403.81	\$163.55	
201407	24,316	43,152	6,273,528	37,905	1.00	6,277,088	37,927							142.30	10,413.60	\$163.98	
201408	24,062	42,822	5,938,489	35,377	1.00	5,943,066	35,404							142.45	10,390.46	\$164.52	
201409	23,690	42,199	6,158,931	38,179	1.00	6,164,972	38,217							143.05	10,450.52	\$164.26	
201410	23,274	41,506	9,245,787	42,905	1.00	9,256,505	42,954							148.65	10,510.50	\$169.72	
201411	22,980	40,925	5,442,429	34,095	1.00	5,450,749	34,147							148.39	10,485.81	\$169.82	
201412	21,579	38,192	5,703,942	35,042	1.00	5,714,559	35,107							149.46	10,562.53	\$169.80	
201501	21,542	37,787	5,816,350	33,890	1.00	5,828,167	33,959	149.29	10,560.86	\$169.63							
201502	21,542	37,690	5,003,704	29,892	1.00	5,017,078	29,972	149.50	10,577.47	\$169.61							
201503	21,607	37,674	5,804,754	33,806	1.00	5,824,901	33,923	150.76	10,631.18	\$170.18					7.2%	2.4%	4.7%
201504	21,614	37,643	5,920,628	34,624	0.99	5,954,574	34,823	151.77	10,658.96	\$170.87					7.8%	2.7%	4.9%
201505	21,454	37,323	5,523,819	32,612	0.99	5,565,982	32,861	152.24	10,661.18	\$171.36					7.9%	2.9%	4.9%
201506	21,398	37,220	5,842,164	34,404	0.99	5,900,640	34,749	153.75	10,732.21	\$171.91					8.4%	3.2%	5.1%
201507	21,342	37,169	6,023,146	34,064	0.99	6,102,047	34,510	155.34	10,781.80	\$172.89					9.2%	3.5%	5.4%
201508	21,210	36,937	5,437,893	31,996	0.98	5,545,871	32,632	156.46	10,847.10	\$173.09					9.8%	4.4%	5.2%
201509	21,229	36,930	5,509,353	33,202	0.97	5,659,962	34,110	157.16	10,864.33	\$173.59					9.9%	4.0%	5.7%
201510	21,162	36,764	6,126,912	36,545	0.96	6,362,858	37,953	152.41	10,845.55	\$168.63					2.5%	3.2%	-0.6%
201511	21,237	36,921	5,523,964	32,747	0.94	5,861,125	34,746	154.69	10,958.45	\$169.39					4.2%	4.5%	-0.3%
201512	21,076	36,508	5,439,185	32,788	0.92	5,892,301	35,525	155.67	11,010.99	\$169.65					4.2%	4.2%	-0.1%
201601	21,871	37,311	4,797,164	28,526	0.78	6,169,608	36,689	156.60	11,096.19	\$169.35	4.9%	5.1%	-0.2%				
201602	22,711	38,298	2,278,478	14,509	0.28	8,094,090	51,552	163.27	11,660.82	\$168.02	9.2%	10.2%	-0.9%				
Experience Period	256,413	446,566	67,971,872	400,570	0.98	69,515,507	409,761										
201503	21,607	37,674									7.2%	2.4%	4.7%				
201509	21,229	36,930									9.9%	4.0%	5.7%				
201512	21,076	36,508									4.2%	4.2%	-0.1%				
Avg last 6 months	21,209	36,872									6.6%	4.0%	2.6%				
Selected Pricing Trend												3.0%	2.0%				



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Other**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost
201304	21,193	38,080	782,265	3,001	1.00	782,265	3,001						
201305	21,193	37,963	723,683	3,019	1.00	723,683	3,019						
201306	21,060	37,755	670,837	2,591	1.00	670,837	2,591						
201307	21,055	37,782	859,527	2,774	1.00	859,527	2,774						
201308	21,353	38,228	968,478	2,955	1.00	968,478	2,955						
201309	21,182	37,860	865,426	2,895	1.00	865,430	2,895						
201310	21,207	37,864	940,619	3,310	1.00	940,634	3,310						
201311	21,254	38,041	848,856	2,872	1.00	848,879	2,872						
201312	21,331	38,279	966,975	2,935	1.00	967,002	2,935						
201401	24,902	44,057	933,103	3,301	1.00	933,141	3,301						
201402	25,080	44,387	916,056	3,459	1.00	916,123	3,459						
201403	24,931	44,090	1,204,239	3,932	1.00	1,204,331	3,932	22.51	937.08	\$288.31			
201404	24,785	43,924	1,062,098	4,220	1.00	1,062,232	4,220	22.82	956.14	\$286.44			
201405	24,805	43,935	1,185,918	3,709	1.00	1,186,351	3,710	23.49	961.46	\$293.23			
201406	24,716	43,873	1,135,003	4,128	1.00	1,135,533	4,130	24.15	987.02	\$293.57			
201407	24,316	43,152	1,095,541	4,303	1.00	1,096,152	4,305	24.36	1,013.28	\$288.50			
201408	24,062	42,822	1,129,619	3,874	1.00	1,130,461	3,877	24.46	1,026.04	\$286.08			
201409	23,690	42,199	1,113,150	4,360	1.00	1,114,217	4,364	24.74	1,052.05	\$282.22			
201410	23,274	41,506	1,122,162	4,542	1.00	1,123,435	4,547	24.92	1,073.63	\$278.58			
201411	22,980	40,925	1,035,816	4,212	1.00	1,037,439	4,218	25.15	1,099.08	\$274.61			
201412	21,579	38,192	1,194,954	5,204	1.00	1,197,212	5,213	25.60	1,152.55	\$266.58			
201501	21,542	37,787	1,092,006	4,580	1.00	1,094,234	4,589	26.24	1,197.31	\$262.98			
201502	21,542	37,690	1,149,190	4,263	1.00	1,152,275	4,274	27.06	1,232.89	\$263.41			
201503	21,607	37,674	1,126,623	4,931	1.00	1,130,523	4,947	27.26	1,273.59	\$256.89	21.1%	35.9%	-10.9%
201504	21,614	37,643	1,317,532	5,045	0.99	1,325,085	5,074	28.16	1,311.02	\$257.71	23.4%	37.1%	-10.0%
201505	21,454	37,323	1,062,918	4,036	0.99	1,071,031	4,067	28.30	1,337.95	\$253.85	20.5%	39.2%	-13.4%
201506	21,398	37,220	1,164,775	4,842	0.99	1,176,407	4,891	28.79	1,375.98	\$251.05	19.2%	39.4%	-14.5%
201507	21,342	37,169	1,137,421	4,488	0.99	1,152,306	4,547	29.27	1,399.77	\$250.96	20.2%	38.1%	-13.0%
201508	21,210	36,937	1,169,252	4,799	0.98	1,192,538	4,895	29.78	1,444.03	\$247.48	21.7%	40.7%	-13.5%
201509	21,229	36,930	1,077,367	2,800	0.97	1,106,778	2,877	30.11	1,421.63	\$254.14	21.7%	35.1%	-9.9%
201510	21,162	36,764	1,167,887	1,783	0.96	1,212,901	1,852	30.62	1,365.03	\$269.20	22.9%	27.1%	-3.4%
201511	21,237	36,921	890,052	1,365	0.94	944,353	1,448	30.69	1,303.06	\$282.60	22.0%	18.6%	2.9%
201512	21,076	36,508	964,784	1,660	0.92	1,045,658	1,799	30.46	1,216.23	\$300.57	19.0%	5.5%	12.7%
201601	21,871	37,311	740,474	1,108	0.78	950,919	1,425	30.18	1,132.41	\$319.76	15.0%	-5.4%	21.6%
201602	22,711	38,298	264,555	648	0.28	944,735	2,308	29.67	1,078.07	\$330.25	9.6%	-12.6%	25.4%
Experience Period	256,413	446,566	13,319,807	44,592	0.98	13,604,090	45,261						
201503	21,607	37,674									21.1%	35.9%	-10.9%
201509	21,229	36,930									21.7%	35.1%	-9.9%
201512	21,076	36,508									19.0%	5.5%	12.7%
Avg last 6 months	21,209	36,872									21.2%	27.5%	-4.0%
Selected Pricing Trend												10.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Rx**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost
201304	21,193	38,080	3,899,240	30,309	1.00	3,899,240	30,309						
201305	21,193	37,963	3,930,227	30,653	1.00	3,930,227	30,653						
201306	21,060	37,755	3,725,243	28,297	1.00	3,725,243	28,297						
201307	21,055	37,782	4,132,836	29,811	1.00	4,132,836	29,811						
201308	21,353	38,228	4,070,732	28,952	1.00	4,070,732	28,952						
201309	21,182	37,860	4,028,614	28,139	1.00	4,028,614	28,139						
201310	21,207	37,864	4,347,031	29,816	1.00	4,347,031	29,816						
201311	21,254	38,041	4,016,316	27,900	1.00	4,016,316	27,900						
201312	21,331	38,279	4,509,982	30,520	1.00	4,509,982	30,520						
201401	24,902	44,057	4,033,791	32,300	1.00	4,033,791	32,300						
201402	25,080	44,387	3,915,004	30,909	1.00	3,915,004	30,909						
201403	24,931	44,090	4,502,629	34,367	1.00	4,502,629	34,367	103.53	9,156.42	\$135.68			
201404	24,785	43,924	4,603,148	34,763	1.00	4,603,148	34,763	103.73	9,156.29	\$135.95			
201405	24,805	43,935	4,797,938	35,221	1.00	4,797,938	35,221	104.24	9,156.56	\$136.61			
201406	24,716	43,873	4,903,870	33,944	1.00	4,903,870	33,944	105.34	9,180.42	\$137.70			
201407	24,316	43,152	5,058,992	34,256	1.00	5,058,992	34,256	106.07	9,188.54	\$138.52			
201408	24,062	42,822	4,539,088	32,694	1.00	4,539,088	32,694	106.03	9,193.90	\$138.39			
201409	23,690	42,199	4,496,990	33,052	1.00	4,496,990	33,052	106.04	9,231.53	\$137.85			
201410	23,274	41,506	4,921,062	33,942	1.00	4,921,062	33,942	106.41	9,262.67	\$137.86			
201411	22,980	40,925	4,402,919	31,509	1.00	4,402,919	31,509	106.57	9,295.01	\$137.58			
201412	21,579	38,192	4,593,670	33,505	1.00	4,593,670	33,505	106.75	9,366.40	\$136.76			
201501	21,542	37,787	4,440,385	31,152	1.00	4,440,385	31,152	108.87	9,455.10	\$138.18			
201502	21,542	37,690	4,050,318	28,027	1.00	4,050,318	28,027	110.60	9,512.56	\$139.52			
201503	21,607	37,674	4,596,098	30,972	1.00	4,596,098	30,972	112.23	9,553.67	\$140.97	8.4%	4.3%	3.9%
201504	21,614	37,643	4,751,362	30,180	1.00	4,751,362	30,180	113.98	9,563.95	\$143.01	9.9%	4.5%	5.2%
201505	21,454	37,323	4,453,032	29,914	1.00	4,453,032	29,914	114.83	9,563.02	\$144.09	10.2%	4.4%	5.5%
201506	21,398	37,220	4,727,913	30,233	1.00	4,727,913	30,233	116.07	9,603.28	\$145.04	10.2%	4.6%	5.3%
201507	21,342	37,169	4,830,843	30,117	1.00	4,830,843	30,117	117.06	9,619.92	\$146.03	10.4%	4.7%	5.4%
201508	21,210	36,937	4,711,308	29,366	1.00	4,711,308	29,366	118.93	9,655.99	\$147.80	12.2%	5.0%	6.8%
201509	21,229	36,930	4,659,286	29,168	1.00	4,659,286	29,168	120.65	9,665.34	\$149.80	13.8%	4.7%	8.7%
201510	21,162	36,764	5,238,522	30,487	1.00	5,238,522	30,487	122.62	9,675.01	\$152.09	15.2%	4.5%	10.3%
201511	21,237	36,921	4,680,899	29,626	1.00	4,680,899	29,626	124.34	9,711.02	\$153.64	16.7%	4.5%	11.7%
201512	21,076	36,508	5,517,401	31,742	1.00	5,517,401	31,742	126.87	9,700.26	\$156.95	18.9%	3.6%	14.8%
201601	21,871	37,311	4,809,351	30,183	1.00	4,809,351	30,183	127.84	9,684.55	\$158.40	17.4%	2.4%	14.6%
201602	22,711	38,298	5,171,481	31,458	1.00	5,171,481	31,458	130.17	9,763.54	\$159.99	17.7%	2.6%	14.7%
Experience Period	256,413	446,566	56,657,366	360,984	1.00	56,657,366	360,984						
201503	21,607	37,674									8.4%	4.3%	3.9%
201509	21,229	36,930									13.8%	4.7%	8.7%
201512	21,076	36,508									18.9%	3.6%	14.8%
Avg last 6 months	21,209	36,872									14.5%	4.5%	9.6%
Selected Pricing Trend												3.0%	9.5%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience - Medical and Rx Total**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Completion Factor	Completed	Rolling 12 PMPM	Rolling 12 Trend	Rolling 3 Trend	Paid	Rolling 12 Trend	Premium
					Allowed	Allowed	Allowed	Allowed		Paid	
201304	21,193	38,080	16,032,992	1.00	16,032,992				\$13,578,392		\$15,873,030
201305	21,193	37,963	15,567,728	1.00	15,567,728				\$13,233,221		\$15,838,587
201306	21,060	37,755	14,928,917	1.00	14,928,917				\$12,755,704		\$15,867,963
201307	21,055	37,782	16,074,884	1.00	16,074,888				\$13,771,980		\$15,980,595
201308	21,353	38,228	15,873,687	1.00	15,873,691				\$13,571,141		\$16,237,039
201309	21,182	37,860	17,295,896	1.00	17,295,950				\$15,008,937		\$16,221,250
201310	21,207	37,864	17,337,403	1.00	17,337,610				\$14,845,844		\$16,552,831
201311	21,254	38,041	15,920,644	1.00	15,920,963				\$13,726,378		\$16,801,474
201312	21,331	38,279	16,580,299	1.00	16,580,635				\$14,009,258		\$17,343,652
201401	24,902	44,057	20,733,936	1.00	20,734,604				\$16,972,919		\$19,761,209
201402	25,080	44,387	17,341,230	1.00	17,342,160				\$14,291,142		\$19,776,336
201403	24,931	44,090	19,131,303	1.00	19,132,358	427.55			\$15,861,486		\$19,750,677
201404	24,785	43,924	19,319,477	1.00	19,320,961	429.19			\$16,104,058		\$20,054,348
201405	24,805	43,935	18,504,948	1.00	18,510,032	429.97			\$15,422,038		\$20,118,525
201406	24,716	43,873	19,558,569	1.00	19,565,486	434.05		6.6%	\$16,522,444		\$19,753,531
201407	24,316	43,152	19,684,421	1.00	19,692,757	436.63		7.5%	\$16,603,881		\$19,492,789
201408	24,062	42,822	20,808,077	1.00	20,820,663	442.49		12.3%	\$17,830,955		\$19,374,189
201409	23,690	42,199	17,964,726	1.00	17,977,834	440.04		5.5%	\$14,890,541		\$19,303,690
201410	23,274	41,506	23,768,069	1.00	23,789,617	449.55		11.6%	\$20,417,348		\$19,140,869
201411	22,980	40,925	17,537,261	1.00	17,557,217	450.21		7.1%	\$14,821,768		\$18,845,246
201412	21,579	38,192	18,106,201	1.00	18,131,634	453.31		13.0%	\$14,294,729		\$18,568,105
201501	21,542	37,787	18,415,239	1.00	18,444,375	454.40		4.7%	\$14,375,269		\$18,273,819
201502	21,542	37,690	15,630,886	1.00	15,661,816	457.12		6.5%	\$12,271,506		\$18,099,724
201503	21,607	37,674	18,685,458	1.00	18,734,698	462.26	8.1%	8.2%	\$14,827,523	-6.5%	\$15,339,833
201504	21,614	37,643	18,704,681	1.00	18,784,679	467.11	8.8%	11.7%	\$15,097,481	-6.3%	\$18,180,589
201505	21,454	37,323	17,869,156	0.99	17,971,524	472.42	9.9%	14.1%	\$14,570,717	-5.5%	\$18,205,113
201506	21,398	37,220	18,961,029	0.99	19,103,298	478.07	10.1%	14.3%	\$15,571,458	-5.8%	\$18,166,233
201507	21,342	37,169	19,006,805	0.99	19,192,371	483.11	10.6%	14.2%	\$15,797,825	-4.9%	\$18,177,062
201508	21,210	36,937	17,948,951	0.99	18,211,683	483.62	9.3%	9.7%	\$14,820,299	-16.9%	\$18,197,841
201509	21,229	36,930	17,670,386	0.98	18,026,230	489.30	11.2%	9.4%	\$14,758,054	-0.9%	\$18,309,030
201510	21,162	36,764	19,491,688	0.97	20,040,637	486.14	8.1%	2.8%	\$16,463,462	-19.4%	\$18,321,499
201511	21,237	36,921	16,913,447	0.96	17,659,979	490.71	9.0%	5.8%	\$14,264,690	-3.8%	\$18,543,668
201512	21,076	36,508	18,512,812	0.94	19,592,005	495.84	9.4%	5.4%	\$15,579,548	9.0%	\$19,090,380
201601	21,871	37,311	16,001,234	0.83	19,199,722	498.06	9.6%	10.1%	\$14,022,376	-2.5%	\$19,400,207
201602	22,711	38,298	8,977,999	0.48	18,723,257	504.23	10.3%	11.6%	\$13,149,011	7.2%	\$19,715,499
Experience Period	256,413	446,566	217,810,539	0.98	221,423,295						216,904,792
201503	21,607	37,674					8.1%				
201509	21,229	36,930					11.2%				
201512	21,076	36,508					9.4%				
Avg last 6 months	21,209	36,872					9.6%				

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Absolute Maximum Premium Increase**

		Absolute Max	
		Base Rate Renewal Increase	Total Renewal Increase
BluePreferred PPO Standard Silver \$2,000	21.2%	11.2%	34.7%

  

Maximum Age Increase	Aging From	To
	Age 20	Age 21

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**DC Combined - Small Group & Individual Capitations**

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.45	\$0.36	\$0.27	-40%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0%
Wellness*	\$0.21	\$0.21	\$0.21	0%
Embedded Pediatric Vision **	\$0.27	\$0.27	\$0.27	0%
Embedded Adult Vision ***	\$0.09	\$0.09	\$0.09	0%
<b>TOTAL</b>	<b>\$1.06</b>	<b>\$0.97</b>	<b>\$0.88</b>	<b>-17%</b>

\*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

\*\*Only applies to members age 19 and under.

\*\*\*Ind64- only and only applies to members over the age of 19.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Non-Grandfathered Experience for ACA Plans**

**Existing Products Included in Experience Period**

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contracts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*
78079DC0200001	BluePreferred HSA Bronze \$3,500	78079DC0210002	BluePreferred PPO Standard Bronze \$4,500	78079DC0210002	BluePreferred PPO Standard Bronze \$5,000	On	706	8,579	\$2,663,110	\$2,825,910	\$1,658,176
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan Base	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base	On	922	10,268	\$3,387,236	\$4,297,753	\$2,817,752
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 94%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 94%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 94%	On	5	42	\$13,331	\$39,634	\$29,238
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 87%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 87%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 87%	On	7	67	\$29,863	\$18,912	\$11,929
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 73%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 73%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 73%	On	31	368	\$134,249	\$567,881	\$494,058
78079DC0160001	BlueCross BlueShield Preferred 500, A Multi-State Plan	78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	701	7,885	\$3,350,469	\$5,414,458	\$4,466,192
78079DC0210001	BluePreferred Platinum \$0	78079DC0210001	BluePreferred PPO Standard Platinum \$0	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	927	10,494	\$5,469,004	\$12,069,341	\$11,110,555
Total							3,299	37,703	\$ 15,047,262	\$ 25,233,889	\$ 20,587,900
									\$ (3,838)		

\*These amounts do not include pharmacy rebates, capitations & miscellaneous.

## Rate Filing Requirements Individual and Small Group Plans Sold on DC Health Link Check-list

INSTRUCTIONS: Include all required elements in the table below with the filed rates. The data elements listed in the Actuarial Memorandum should be consistent with the cover letter, if applicable.

Number	Data Element	Requirement Description	Individual/Association, and Small Employer Group	
			Has the Data Element Been Included?	Location of the Data Element
1	Purpose of Filing	State the purpose of the filing. Identify the applicable law. List the proposed changes to the base rates and rating factors, and provide a general summary.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
2	Form Numbers	Form numbers should be listed in the actuarial memorandum.	Yes	4
3	HIOS Product ID	The HIOS product ID should be listed in the actuarial memorandum.	Yes	5
4	Effective Date	The requested effective date of the rate change. For filings effective 1/1/2017 and later, follow filing due date requirements.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
5	Market	Indicate whether the products are sold in the individual or small employer group market.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
5.1	Inside or Outside the Exchange	Indicate whether the products are to be sold inside the Exchange, outside the Exchange or both.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
6	Status of Forms	Indicate whether the forms are open to new sales, closed, or a mixture of both, and whether the forms are grandfathered, non-grandfathered, or a mixture of both.	Yes	4
7	Benefits/Metal level(s)	Include a basic description of the benefits of the forms referenced in the filing and the metal level of each plan design.	Yes	5
7.1	AV Value	Provide the actuarial value of each plan design using the AV calculator developed and made available by HHS.	Yes	See the PDF file "Actuarial Value Calculations" in SERFF
8	Average Rate Increase Requested	The weighted average rate increase being requested, incremental and year-over-year renewal. The weights should be based on premium volume.	Yes	7
9	Maximum Rate Increase Requested	The maximum rate increase that could be applied to a policyholder based on changes to the base rate and rating factors, incremental and year-over-year renewal. (Does not include changes in the demographics of the covered members.)	Yes	9
10	Minimum Rate Increase Requested	The minimum rate increase that could be applied to a policyholder based on changes to the base rate and rating factors, incremental and year-over-year renewal. (Does not include changes in the demographics of the covered members.)	Yes	9
11	Absolute Maximum Premium Increase	The absolute maximum year-over-year renewal rate increase that could be applied to a policyholder, including demographic changes such as aging.	Yes	41
12	Average Renewal Rate Increase for a Year	Calculate the average renewal rate increase, weighted by written premium, for renewals in the year ending with the effective period of the rate filing. The calculation must be performed for each HIOS product ID.	Yes	7
13	Rate Change History	Rate change history of the forms referenced in the filing. If nationwide experience is used in developing the rates, provide separately the rate history for the District of Columbia and the nationwide average rate history.	Yes	9
14	Exposure	Current number of policies, certificates and covered lives.	Yes	7
15	Member Months	Number of members in force during each month of the base experience period used in the rate development and in each of the two preceding twelve-month periods.	Yes	35 - 40
16	Past Experience	Provide monthly earned premium and incurred claims for the base experience period used in the rate development and each of the two preceding twelve-month periods.	Yes	40
17	Index Rate	Provide the Index Rate.	Yes	11
17.1	Rate Development	Show base experience used to develop rates and all adjustments and assumptions applied to arrive at the requested rates. For less than fully credible blocks, disclose the source of the base experience data used in the rate development and discuss the appropriateness of the data for pricing the policies in the filing.	Yes	35 - 40

18	Credibility Assumption	If the experience of the policies included in the filing is not fully credible, state and provide support for the credibility formula used in the rate development.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
19	Trend Assumption	Show trend assumptions by major types of service as defined by HHS in the Part I Preliminary Justification template, separately by unit cost, utilization, and in total. Provide the development of the trend assumptions.	Yes	12
20	Cost-sharing changes	Disclose any changes in cost sharing for the plans between the base experience period for rating and the requested effective date. Show how the experience has been adjusted for cost-sharing changes in the rate development. Provide support for the estimated cost impact of the cost-sharing changes.	No	Not applicable
21	Benefit Changes	Disclose any changes in covered benefits for the plans between the base experience period for rating and the requested effective date. Show how the experience has been adjusted for changes in covered benefits in the rate development. Provide support for the estimated cost impact of the benefit changes.	Yes	21
22	Plan Relativities	For rate change filings, if the rate change is not uniform for all plan designs, provide support for all requested rate changes by plan design. Disclose the minimum, maximum, and average impact of the changes on policyholders. For initial filings, provide the derivation of any new plan factors.	Yes	26
23	Rating Factors	Provide the age, area and smoking rating factors used. Disclose any changes to rating factors, and the minimum, maximum, and average impact on policyholders. Provide support for any changes.	Yes	34
23.1	Wellness Programs	Describe any wellness programs (as defined in section 2705 (j) of the PHS Act) included in this filing.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
24	Distribution of Rate Increases	Anticipated distribution of rate increases due to changes in base rates, plan relativities, and rating factors. This need not include changes in demographics of the individual or group.	Yes	26
25	Claim Reserve Needs	Provide the claims for the base experience period separately for paid claims, and estimated incurred claims (including claim reserve). Indicate the incurred period used for the base period. Indicate the paid-through date of the paid claims, and provide a basic description of the reserving methodology for claims reserves and contract reserves, if any. Provide margins used, if any.	Yes	33
26	Administrative Costs of Programs that Improve Health Care Quality	Show the amount of administrative costs included with claims in the numerator of the MLR calculation. Show that the amount is consistent with the most recently filed Supplemental Health Care Exhibit, or provide support for the difference.	Yes	15-17
27	Taxes and Licensing or Regulatory Fees	Show the amount of taxes, licenses, and fees subtracted from premium in the denominator of your medical loss ratio calculation. Show that the amount is consistent with the most recently filed Supplemental Health Care Exhibit, or provide support for the difference.	Yes	15-17
28	Medical Loss Ratio (MLR)	Demonstrate that the projected loss ratio, including the requested rate change, meets the minimum MLR. Show the premium, claims, and adjustments separately with the development of the projected premium and projected claims (if not provided in the rate development section). If the loss ratio falls below the minimum for the subset of policy forms in the filing, show that when combined with all other policy forms in the market segment in the District of Columbia, the loss ratio meets the minimum.	Yes	15-17
29	Risk Adjustment	Provide rate information relating to the Risk Adjustment program. Information should include assumed Risk Adjustment user fees, Risk Adjustment PMPM excluding user fees and assumed distribution of enrollment by risk score, plan, and geographical area. Provide support for the assumptions, including any demographic changes. Provide information/study on the development of risk scores and Risk Adjustment PMPM. Provide previous year-end estimated risk adjustment payable or receivable amount and quantitative support for the amount.	Yes	13, 14, 15-17
29.1	Reinsurance	Provide information on the Reinsurance contribution assumption, consistent with the national contribution rate for the projection period. In individual filings, provide information on the Reinsurance recovery assumption, consistent with the company's continuation table used in pricing. Provide previous year-end estimated reinsurance payable amount and quantitative support for the amount.	Yes	Not applicable
29.2	Risk Corridor	Does the company assume Risk Corridor charges or payments? If so, provide support. Provide previous year-end estimated risk corridor payable or receivable amount and quantitative support for the amount.	Yes	Not applicable
30	Past and Prospective Loss Experience Within and Outside the State	Indicate whether loss experience within or outside the state was used in the development of proposed rates. Provide an explanation for using loss experience within or outside the state.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF



31	A Reasonable Margin for Reserve Needs	Show the assumed Margin for Reserve Needs used in the development of proposed rates. Margin for Reserve Needs includes factors that reflect assumed contributions to the company's surplus or the assumed profit margin. Demonstrate how this assumption was derived, how the assumption has changed from prior filings, and provide support for changes. If the assumption for Qualified Health Plans exceeds 3% as assumed in the risk corridor formula, justify the excess in light of the company's surplus position.	Yes	15-17
32	Past and Prospective Expenses	<p>Indicate the expense assumptions used in the development of proposed rates. Demonstrate how this assumption was derived. Show how this assumption has changed from prior filings, and provide support for any change.</p> <p>Provide the assumed administrative costs in the following categories:</p> <ul style="list-style-type: none"> <li>• Salaries, wages, employment taxes, and other employee benefits</li> <li>• Commissions</li> <li>• Taxes, licenses, and other regulatory fees</li> <li>• Cost containment programs / quality improvement activities</li> <li>• All other administrative expenses</li> <li>• Total</li> </ul>	Yes	15-17
33	Any Other Relevant Factors Within and Outside the State	Indicate any other relevant factors that have been considered in the development of the proposed rates. Demonstrate how any related assumptions were derived. Show how these assumptions have changed from prior filings, and provide support for any change.	Yes	Actuarial Memorandum
34	Other	Any other information needed to support the requested rates or to comply with Actuarial Standard of Practice No. 8.	Yes	Actuarial Memorandum
35	Actuarial Certification	Signed and dated certification by a qualified actuary that the anticipated loss ratio meets the minimum requirement, the rates are reasonable in relation to benefits, the filing complies with the laws and regulations of the District of Columbia and all applicable Actuarial Standards of Practice, including ASOP No. 8, and that the rates are not unfairly discriminatory.	Yes	3
36	Part I Preliminary Justification (Grandfathered Plan Filings)	Rate SummaryWorksheet --- Provide this document with all Grandfathered plan filings. <b>Provide in Excel and PDF format.</b>	Yes	This is not a Grandfathered Filing, so a PRJ is not provided
36.1	Unified Rate Review Template (Non-Grandfathered Filings)	Unified Rate Review Template as specified in the proposed Federal Rate Review regulation. Provide this document with all Non-Grandfathered plan filings. <b>Provide in Excel and PDF format.</b>	Yes	See the URRT included as a separate document in SERFF
37	Part II Preliminary Justification	Written description justifying the rate increase as specified by 45 CFR §154.210(f). Provide for all individual and small employer group filings (whether or not they are "subject to review" as defined by HHS).	Yes	See the Part II included as a separate document in SERFF
38	DISB Actuarial Memorandum Dataset	Summarizes data elements contained in Actuarial Memorandum. Provide this document with all Non-Grandfathered plan filings. <b>Provide in Excel format only.</b>	Yes	See the Dataset included as a separate document in SERFF
39	District of Columbia Plain Language Summary	Similar to the Part II Preliminary Justification, this is a written description of the rate increase as specified by 45 CFR §154.215, but as a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. Provide this document for all individual and small employer group filings.	Yes	See the Plain Language Summary included as a separate document in SERFF
40	Additional Requirements for Stand-Alone Dental Plan Filings	<p>Provide the following for stand-alone dental plan filings:</p> <ul style="list-style-type: none"> <li>• Identification of the level of coverage (i.e. low or high), including the actuarial value of the plan determined in accordance with the proposed rule;</li> <li>• Certification of the level of coverage by a member of the American Academy of Actuaries using generally accepted actuarial principles; and</li> <li>• Demonstration that the plan has a reasonable annual limitation on cost-sharing.</li> </ul>	No	Not applicable

**Certifying Signature**

The undersigned representative of the organization submitting this rate filing attests that all items contained in the above checklist have been included in the filing to the best of the company's ability.

Brad Boban, ASA, MAAA  
(Print Name)

*Brad Boban, A.S.A., M.A.A.A.*  
(Signature)

Assistant Actuary  
(Title)

**CAREFIRST BLUECROSS BLUESHIELD**  
**PART III ACTUARIAL MEMORANDUM (AM)**

**1. REDACTED (AM):** CareFirst (CF) is making no redactions so both actuarial memoranda (AM) are the same.

**2. GENERAL INFORMATION:**

- A. **Company Legal Name:** Group Hospitalization and Medical Services, Inc. (NAIC # 53007) (GHMSI)
- B. **State:** District of Columbia
- C. **HIOS Issuer ID:** 78079
- D. **Market:** Individual, Non-Medigap (INM) – On Exchange
- E. **Effective Date:** 01/01/17 – 12/31/17
- F. **Primary Contact Name:** Mr. Brad Boban, A.S.A., M.A.A.A.
- G. **Primary Contact Telephone Number:** 410-998-6230
- H. **Primary Contact E-Mail Address:** Brad.Boban@CareFirst.com

**3. PROPOSED RATE INCREASE(S):** GHMSI is proposing to adjust premiums by 0.0% on average, prior to age band changes. (For CF's Individual business (Group Hospitalization and Medical Services, Inc. (GHMSI) and GHMSI the proposed average renewal is 6.9%.) For renewing customers, an age band change adds 2.6% to the renewal, on average, with a range of 0.0% to 3.9% for ages 22 and upwards per the D.C. age curve. This filing applies to all new and renewing, in-force business in the guaranteed renewable, non-grandfathered, ACA, metaled benefit plans.

**Reason for Rate Increase(s):** The main drivers of the 2017 rate increase are 1) cessation of transitional reinsurance, 2) an increase in expected risk adjustment transfer payments, 3) the 2017 moratorium for the health insurer fee and 5) trend of 8.3%.

The expected rate changes vary from -9% (Gold) to +16% (Silver) for 2017 renewals in this filing (prior to any impact of age band changes). This range is impacted by the removal of our H.S.A. factor and compression of our induced demand factors by adopting the HHS factors. For the H.S.A., we found that few members were setting up the health savings account with a bank so the behavioral impact of the insured ownership and carry-over feature of the funds were formerly over-stated

**4. MARKET EXPERIENCE (Individual and Small Group Combined):**

**4.1 EXPERIENCE PERIOD PREMIUM AND CLAIMS:** The incurred period is 01/01/15 through 12/31/15, as required. There are no anticipated MLR rebates in the experience period. Allowed claims have been developed by combining paid claims with member cost-sharing amounts as well as Federal CSR amounts.

**Paid Through Date:** 02/29/16.

**Premiums (Net of MLR Rebate) in Experience Period:** \$215,112,455 (Merged).

**Allowed and Incurred Claims From Experience Period:** \$209,316,044 (Merged).

**4.2 BENEFIT CATEGORIES:**

- A. Inpatient Hospital
- B. Outpatient Hospital
- C. Professional
- D. Other Medical (non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other)
- E. Prescription drug
- F. Capitations

#### 4.3 PROJECTION FACTORS:

**Changes in the Morbidity of the Population Insured:** Examination of the 2015 experience of the cohort as of 02/29/16 shows an increase of 1.3%. From this 02/29/16 cohort we had prior claims experience for 75% of them.

**Changes in Benefits:** For 2017, the portfolio has been redesigned. CF will offer 3 plans, all of them Standard plans, compared to 2016's six plans. Platinum plans will not be offered in 2017. Our 2016 plans will be uniformly modified into the 2016 plans based on the mapping included in this filing.

The new portfolio consists of 3 plans total: 1 bronze, 1 silver and 1 gold.

**Changes in Demographics:** The average age of GHMSI members has increased from 42.4 to 42.6 between the experience period and the latest enrollment as of 02/29/16. We have therefore made a demographic adjustment of +1.3% to account for this aging.

**Other Adjustments:** Starting in 2015, CF is continuing its incentive program, called BlueRewards, whereby members earn medical expense debit cards. The cards must be utilized for qualified medical expenses such as deductibles, copays and out-of-pocket maximums. The scope includes all benefit plans within CF's portfolio, On and Off the Exchange. This is being done in a revenue-neutral way. The incentive payment for 2017 is estimated at \$5 PMPM.

We have also adjusted for anticipated higher RX rebates. We moved to a new "Pharmacy Benefits Manager" (PBM) in 2014. Our SRP time period had RX rebates at a certain level but the "rolling 3" (R3) estimate is rising. Therefore we projected for 2017 recognizing 100% of the R3 increase versus the SRP.

**Trend Factors (Cost/Utilization):** The proposed trend of 8.3% is an increase of 10 basis points over 2016's 8.2%. Trend regressions for ACA, metal to metal business are in the 8% to 9% range with "r-squared" values above 97%.

**4.4 CREDIBILITY MANUAL RATE DEVELOPMENT:** Not applicable, as experience was determined to be fully credible.

**4.5 CREDIBILITY OF EXPERIENCE:** The calendar 2015 base data includes 446,566 members months (average monthly of 37,214) and is therefore considered 100% credible.

**4.6 PAID TO ALLOWED RATIO:** Projected at 71.7%, on average.

#### 4.7 RISK ADJUSTMENT AND REINSURANCE:

**Experience Period Risk Adjustment and Reinsurance Adjustments PMPM:** The estimates of the experience period Risk Adjustment transfers in the URRT are based on a multi-carrier analysis by Wakely Consulting Group. The reinsurance estimates are based upon internal estimates of reinsured claim amounts, with experience paid through 02/29/16. Both estimates were performed at the metal level of granularity.

**Projected Risk Adjustments PMPM:** Our starting point was 2015 data from Wakely including an estimate of IBNR. CF's 2015 payment is estimated at \$99 and for 2017 at \$111. We referenced the CMS report released on 03/18/16 and used their state average premium of \$324.59 and billable members of 167,010. However, we used our own state average PLRS (1.3764 versus CMS' 1.309) and ARF (1.0831 versus CMS' 1.082) estimates since Wakely's PLRS includes an estimate of "incurred but not reported" claims. Since CF represents 82% of the market according to Wakely, our calculations assume that the state average scores will change in step with CF's changes from 2015 to 2016 to 2017. We have anchored on 2015 data including IBNR since we believe this best estimates final transfers. We itemize the variables such as "plan liability risk score" (PLRS), "allowable rating

factor” (ARF) and state averages assumed to calculate PMPM transfers. We assigned 50% credibility to our 2017 transfer payment of \$111 since 2016 data is preliminary.

Per the DISB’s request, CF has agreed to change its risk adjustment calculation from merged to unmerged starting in 2017. The impact was estimated to reduce the renewal by 370 basis points from 3.7% to 0.0%.

**Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only):** No longer applicable.

**4.8 NON-BENEFIT EXPENSES AND CONTRIBUTION TO RESERVE (CtR) & RISK:** The “desired incurred claims ratio” (DICR) has increased from 75.5% (2016) to 81.1% (2017).

**Administrative Expense Load:** PMPMs changed by 0.0% for total administrative expenses and broker fees, versus 2016. (Also included is the BlueRewards incentive cost.) Some expense increases are expected attributable to 1) ACA and operational complexity, 2) cybersecurity needs and 3) audit and compliance exposure and demands.

**CtR & Risk Margin:** Decreased from 2.0% to 0.0%, pre-tax.

**Taxes and Fees:**

- Premium Tax of 2.0%.
- Federal Income Tax (FIT) of 0.0% (0.7% last year).
- State Regulatory Trust Annual Assessment Fee of 0.04% (0.1% last year).
- Health Insurer Fee of 0.0% (2.6% last year).
- PCORI fee of \$0.20 PMPM (\$0.18 last year).
- Reinsurance contribution of \$0.00 PMPM (\$2.25 last year).
- Risk Adjustment User Fees of \$0.13 PMPM (\$0.15 last year).

**5 PROJECTED LOSS RATIO:** Our projected DICR for MLR purposes is 84.0%, meeting the 80.0% minimum of “Public Health Service Act” (PHSA) 218. We have included the cost of our medical expense debit cards (aforementioned in section 4.3) as quality improvement in the numerator. We believe this is consistent with the small group market and with 45 C.F.R. § 158.221 and 158.150(b)(2) in that these debit cards are rewards for participation in a bona fide wellness program aimed to improve health quality and care

**6 APPLICATION OF MARKET REFORM RATING RULES:**

**6.1 SINGLE RISK POOL (SRP):** Our SRP reflects all covered lives for every non-grandfathered product in our market per 45 CFR Part § 156.80 (d). It includes both Individual and Small group experience merged, per the DCHBX Carrier Reference Manual.

**6.2 INDEX RATE:** Last year’s 2014 EP index rate was \$434. This year’s 2015 EP index rate is \$467 for an increase of 8%. Last year’s projected index rate for 2016 was \$518. This year’s projected index rate for 2017 is \$551 for an increase of 6%. Because the index rate merges Individual non-Medigap (IND64-) and Small Group (SG), the starting point experience period index rate for IND64- is suppressed by 28% (i.e., the \$467 would have been \$652).

**6.3 MARKET ADJUSTED INDEX RATE:**

- **Federal Reinsurance Program Adjustment:** 1.000 for 2017 (0.976 last year).
- **Risk Adjustment:** 0.860 for 2017 (0.904 last year).
- **Marketplace User Fee Adjustment:** 1.00. Not applicable.

**6.4 PLAN ADJUSTED INDEX RATES:** The cost-share factor includes 1) pricing AVs and 2) induced demand. As a change from last year, we are not adjusting the index rate from experience period to projection period based on anticipated induced demand change. Instead we are including this in setting our utilization trend. The catastrophic factor has been developed from the experience of the catastrophic population, and applied only to the catastrophic plan as required.

**6.5 CALIBRATION:** Done for age only.

**Age Curve Calibration** – We have calibrated to an average age of 44 from the age curve.

**6.6 CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT:** Rate charts are provided for all of the consumer adjusted premiums.

## **7 PLAN PRODUCT INFORMATION:**

**7.1 HHS ACTUARIAL METAL VALUES (AV):** Some 2017 plans include varying cost share levels for some services that depend on the setting in which care is delivered, which is not accommodated by the Federal AV calculator. As an acceptable alternate method for unique plans, the Federal AV calculator was used to compute two separate AVs for each impacted plan – one which applied the higher level of cost share, and one which applied the lower. The results were blended assuming 2/3 of the designated services are rendered in higher cost share setting and the remaining 1/3 at the lower, consistent with experience for our SG and IND64- markets.

Those plans that lacked this site of service cost share variation were run through the Federal AV calculator without modification.

**7.2 AV PRICING VALUES:** The Plan Level Summary page shows the total AV Pricing Value, as well as the detail of each allowable rating factor that contributes to the total. Our internal pricing model was updated.

**7.3 MEMBERSHIP PROJECTIONS:** Projected enrollment is based on actual enrollment by plan as of 02/29/16. Final 2017 plan-level enrollment results from the underlying mapping of our 2016 plans into the proposed 2017 plan designs.

**7.4 TERMINATED PRODUCTS:** A listing of all terminated non-ACA products, as well as a list of the ACA plans being uniformly modified is included in the AM.

**7.5 PLAN TYPE:** HMO.

**7.6 WARNING ALERTS:**

- Several Warning Alerts are triggered through Section III on Worksheet 2. This is because Worksheet 1 is based on the combined Individual/small group experience per the DC HBX Carrier Manual, while Worksheet 2 includes only the Individual plans. Therefore, because of small group being included at the pool level but not on the plan level, there is a much larger difference than the 10% which triggers a warning alert.

## **8 MISCELLANEOUS INSTRUCTIONS:**

**8.1 Effective Rate Review Information:** N/A.

**8.2 Reliance:** Risk Adjustment analyses were provided to us by Wakely Consulting Group.

**8.3 Actuarial Certification:** Included in the AM.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**Rate Filing # 2112**

**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**

**Actuarial Memorandum**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Table of Contents**

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
GHMSI Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
GHMSI Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support For Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Plan Level Derivations	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Age Calibration Factor	30
<b>Appendix</b>	31
Rating Methodology	32
Reserving Methodology	33
DC Age Rating Factors	34
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	35 - 40
Max Renewal Increase	41
Capitations Summary	42
Summary of Existing ACA HIOS Data	43

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Actuarial Certification**

I, Brad Boban, am a Pricing Actuary with GHMSI doing business as CareFirst BlueChoice. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
  - a. a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
  - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs.
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

*Brad Boban, A.S.A., M.A.A.A.*

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**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Form Numbers**

**Form Numbers Associated With This ACA Filing:**

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<b>BluePreferred PPO Standard Plans</b>
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DC/CF/EXC/BP/IEA (R. 1/17)  
DC/CF/BP/EXC/DOCS (1/17)  
DC/CF/EXC/BP STD/BRZ 5000 (1/17)  
DC/CF/EXC/BP STD/GOLD 500 (1/17)  
DC/CF/EXC/BP STD/NATAMER SOB (1/17)  
DC/CF/EXC/BP STD/SIL 2000 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 73 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 87 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 94 (1/17)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 1/16)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 1/15  
DC/CF/PT PROTECT (9/10)

Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)  
DC Individual Exchange Products  
Rates Effective 1/1/2017  
HIOS Product IDs

ACA Products Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
78079DC021	BluePreferred	78079DC0210002	01	BluePreferred PPO Standard Bronze \$5,000	On	PPO	Yes	62.0%	Bronze	No	839
78079DC021	BluePreferred	78079DC0210004	01	BluePreferred PPO Standard Silver \$2,000 Base	On	PPO	Yes	71.7%	Silver	No	2,177
78079DC021	BluePreferred	78079DC0210004	04	BluePreferred PPO Standard Silver \$2,000 73%	On	PPO	Yes	73.0%	Silver	No	59
78079DC021	BluePreferred	78079DC0210003	01	BluePreferred PPO Standard Gold \$500	On	PPO	Yes	81.9%	Gold	No	2,713
Total											5,788

2017 Plan Mapping:

2016		2017	
HIOS Plan ID	Plan Name	HIOS Plan ID	Plan Name
78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base
78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500
78079DC0210001	BluePreferred PPO Standard Platinum \$0		

In 2017 all Non-Standard plans will be uniformly modified into the Standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

<b>Acronym</b>	<b>Definition</b>
GHMSI	Group Hospitalization and Medical Services, Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non- Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Arrangement
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia GHMSI RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING									
		Projected Members 12/31/17					Consumer		Consumer		
	2016	2017	PUBLIC	PRIVATE		HHS	Adj.	HHS	Adj.		
	Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	AV	Rate	AV	Rate	
							2016	1/1/16	2017	1/1/17	Δ
1											
2											
3	<u>Bronze Plans</u>										
4	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
5	Subtotal:		839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
6											
7	<u>Silver Plans</u>										
8	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
9	BluePreferred PPO Standard Silver \$2,000		2,236	0	2,236	39%	0.704	\$338	0.717	\$334	-1.3%
10	Silver Subtotal		2,236	0	2,236	39%	0.696	\$289	0.717	\$334	15.5%
11											
12	<u>Gold Plans</u>										
13	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	47%	0.816	\$428	0.819	\$432	1.0%
14	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
15	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
16	Subtotal:		2,713	0	2,713	47%	0.862	\$474	0.819	\$432	-8.9%
17											
18	<u>Platinum Plans</u>										
19	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	n/a	n/a	n/a
20	Subtotal:		0	0	0	0%	0.912	\$521	0.000	\$0	0.0%
21	TOTAL:		5,788	0	5,788	100%	0.000	\$371	0.000	\$371	0.0%
22			100%	0%							
23	GHMSI		5,788	0	5,788		0.762	\$371	0.751	\$371	0.0%
24											
25	PPO/HMO Ratio:										
26	LOW RENEWAL (Minimum):										-17.0%
27	HIGH RENEWAL (Maximum):										21.2%

CareFirst, Inc. (CFI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia CFI RATE CHANGE SUMMARY

	1	2	3	4	5	6	7	8	9	10	11
			RATE FILING Projected Members 12/31/17				Consumer HHS AV Adj. Rate		Consumer HHS AV Adj. Rate		
	2016 Benefit Plan	2017 Benefit Plan	PUBLIC ON-EXCH	PRIVATE OFF-EXCH	TOTAL	%	2016 1/1/16	2017 1/1/17			Δ
1	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%
2											
3											
4	<b>Bronze Plans</b>										
5	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
6	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
7	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
8	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
9	Subtotal:		4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%
10											
11	<b>Silver Plans</b>										
12	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
13	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
14	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
15	BluePreferred Standard Silver \$2000		2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
16	Subtotal:		4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%
17											
18	<b>Gold Plans</b>										
19	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
20	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
21	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
22	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
23	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
24	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
25	Subtotal:		5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%
26											
27	<b>Platinum Plans</b>										
28	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a
29	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a
30	Subtotal:		0	0	0	0%	0.912	\$492	0.000	\$0	n/a
31	TOTAL:		15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%
32			100%	0%							
33	BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
34	GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
35	Subtotal:		15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%
36											
37	PPO/HMO Ratio:						1.48		1.31		
38	LOW RENEWAL (Minimum):										-17.0%
39	HIGH RENEWAL (Maximum):										65.3%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**  
**Rate History**

				Consumer Adjusted Rates			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	\$ 237.79	\$ 251.65	\$ 256.57	\$ 273.93
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000	\$ 301.42	\$ 298.74	\$ 275.27	\$ 333.60
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	\$ 337.94	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	\$ 375.61	\$ 402.51	\$ 425.58	\$ 432.00
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	\$ 427.68	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		\$ 469.18	\$ 503.13	\$ 520.65	
				Renewals			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000		5.8%	2.0%	6.8%
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000		-0.9%	-7.9%	21.2%
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	-1.3%	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500		7.2%	5.7%	1.5%
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	1.0%	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		7.2%	3.5%	-17.0%	

\*Inception, except for the PPO Standard Silver \$2,000 and PPO Standard Gold \$500, both of which were new for 2016.

\*\*In 2017, we are uniformly modifying all members/plans into a single plan per metal level. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -17.0%  
Max 21.2%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**BluePreferred Projected Morbidity**

2017 Change in Morbidity Projection					
	2015 Actual SRP*		2017 Projected		
	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ
<b>Metal</b>					
Bronze	\$288	707	\$299	855	
Silver	\$469	965	\$441	2,585	
Gold	\$668	701	\$866	2,560	
Platinum	\$1,079	927			
<b>Ind Under 65 Single Risk Pool</b>	\$666	3,300	\$602	6,000	0.904
<b>Small Group Single Risk Pool</b>	\$484	33,175	\$484	33,679	1.000
<b>Combined Single Risk Pool</b>	<b>\$496</b>	<b>36,475</b>	<b>\$502</b>	<b>39,679</b>	<b>1.013</b>

\*Excludes Rx rebates and capitations.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017  
GHMSI D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (MERGED)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016
Experience Period Summary	Total				
Experience Period Premiums	\$ 215,112,455				
MLR Rebates	\$ -				
Net Experience Period Premiums	\$ 215,112,455				
Experience Period Paid Claims (Non-Capitated)	\$ 190,859,339				
Completion Factor	0.98				
Experience Period Incurred Claims (Non-Capitated)	\$ 194,074,820				
Capitations	\$ 473,767				
Rx Rebates	\$ (12,581,018)				
Other Manual Claims	\$ -				
Total Experience Period Claims	\$ 181,967,569				
Experience Period Loss Ratio (Before MLR Rebates)	84.59%				
Experience Period Loss Ratio (After MLR Rebates)	84.59%				
Experience Period Loss Ratio (System Claims Only)	90.22%				
Experience Period Member Months	446,566				
Average Members	37,214				
End of Experience Period Contracts	21,076				
End of Experience Period Members	36,508				
Experience Period Allowed Claims (Non-Capitated)	\$ 221,423,295				
Adjustments	\$ (12,107,251)				
Total Adjusted EP Allowed Claims	\$ 209,316,044				
EP Paid / Allowed Ratio	86.9%				

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,204	\$ 35,895,163	\$ -	\$ -	\$ 35,895,163
Outpatient	Visits	34,045	\$ 45,751,169	\$ -	\$ -	\$ 45,751,169
Professional	Visits	409,761	\$ 69,515,507	\$ -	\$ -	\$ 69,515,507
Other	Services	45,261	\$ 13,604,090	\$ -	\$ -	\$ 13,604,090
Rx	Scripts	360,984	\$ 56,657,366	\$ -	\$ (12,581,018)	\$ 44,076,349
Capitation	Average Members	37,214	\$ 473,767	\$ -	\$ -	\$ 473,767
Total			\$ 221,897,062	\$ -	\$ (12,581,018)	\$ 209,316,045
PMPM			\$ 496.90	\$ -	\$ (28.17)	\$ 468.72
Non-EHB Claims In Experience PMPM **						\$ 2.19
EP Index Rate for EHB						\$ 466.53

Annual Trend Inputs	
Cost Trend	Utilization Trend
0.0%	1.0%
9.0%	3.5%
2.0%	3.0%
0.0%	10.0%
9.5%	3.0%
0.0%	0.0%

													Effective Allowed PMPM			
Service Category Experience Period Allowed	Experience Period				Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected			Annual Trend			
	Utilization Measure	Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost	PMPM				
Inpatient	Admits	59.23	\$	16,283.93	\$	80.38	1.000	1.020	1.05	61.21	\$	16,494.95	\$	84.14	1.0%	
Outpatient	Visits	914.86	\$	1,343.83	\$	102.45	1.188	1.071	1.31	992.76	\$	1,617.30	\$	133.80	12.8%	
Professional	Visits	11,010.99	\$	169.65	\$	155.67	1.040	1.061	1.13	11,833.42	\$	178.79	\$	176.31	5.1%	
Other	Services	1,216.23	\$	300.57	\$	30.46	1.000	1.210	1.24	1,490.77	\$	304.47	\$	37.82	10.0%	
Rx	Scripts	9,700.26	\$	122.10	\$	98.70	1.199	1.061	1.22	10,424.79	\$	138.64	\$	120.44	12.8%	
Capitation	Benefit Period	1,000.00	\$	12.73	\$	1.06	1.000	1.000	0.83	1,000.00	\$	10.57	\$	0.88	0.0%	
Total						\$ 468.72								\$ 553.39	8.0%	
													Projected Allowed Claims PMPM (EHB + Non-EHB)		\$ 553.39	
													Non-EHB Claims In Projected PMPM*		\$ 2.43	
													Index Rate for EHB		\$ 550.96	

\* Includes abortion claims and capitation for embedded adult vision benefit.

\*\* Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.



2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC GHMSI

		1	2	3	4	5	6	7	8	9	10	11	12	13
		2016 FILING						2017 FILING						
						Cost	Utilization	Claims	EXPERIENCE PERIOD		PROJECTED			vs 2016
GHMSI - DC		Allowed							Allowed		Cost	Utilization	Claims	
		Claims	%		Trend	Trend	Trend		Claims	%	Trend	Trend	Trend*	Δ
1	Inpatient	Hospital	\$40,005,763	17%	8.0%	1.0%	9.1%		\$35,895,163	16%	0.0%	1.0%	1.0%	-8.1%
2	Outpatient	Hospital	\$47,122,116	21%	3.5%	3.5%	7.1%		\$45,751,169	21%	9.0%	3.5%	12.8%	5.7%
3	Professional		\$74,124,676	32%	3.5%	1.5%	5.1%		\$69,515,507	31%	2.0%	3.0%	5.1%	0.0%
4	Other	Non-Capitated Ambulance	\$13,002,211	6%	4.0%	2.0%	6.1%		\$13,604,090	6%	0.0%	10.0%	10.0%	3.9%
5		Home Health												
6		DME												
7		Prosthetics												
8		Supplies												
9		Vision Exams												
10		Dental Services												
11		Other Services												
12	Medical	Subtotal (Clms-Wgtd):	\$174,254,765	76%	4.6%	2.0%	6.6%		\$164,765,929	74%	3.3%	3.3%	6.7%	0.1%
13														
14	Rx	Claims-Weighted	\$54,658,099	24%	13.0%	0.0%	13.0%		\$56,657,366	26%	9.5%	3.0%	12.8%	-0.2%
15	Total	Claims Weighted	\$228,912,864	100%	6.6%	1.5%	8.2%		\$221,423,295	100%	4.9%	3.2%	8.3%	0.1%
16														
17	Weighted Total DC (BC & GHMSI)												8.2%	

\* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Projected Risk Adjustment**

**2015**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	8,602	23%	0.907	1.240	-\$768,069	-\$89.29
Silver	10,786	29%	1.408	1.127	\$28,720	\$2.66
Gold	7,873	21%	1.719	1.066	\$388,067	\$49.29
Platinum	10,572	28%	3.197	1.043	\$4,063,933	\$384.39
Total	37,834	100%	1.859	1.117	\$3,712,652	\$98.13
Statewide						
	167,010	\$324.59	1.309	1.082		

**2016**

**Existing**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	7,500	15%	1.033	1.259	-\$527,783	-\$70.37
Silver	17,628	35%	1.528	1.185	\$253,768	\$14.40
Gold	11,904	24%	1.705	1.075	\$543,202	\$45.63
Platinum	12,828	26%	3.764	1.081	\$6,982,823	\$544.34
Total	49,860	100%	2.071	1.143	\$7,252,010	\$145.45

**New**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	2,076	13%	0.907	0.999	-\$74,780	-\$36.02
Silver	7,884	49%	1.408	1.080	\$131,829	\$16.72
Gold	3,288	20%	1.719	0.952	\$304,902	\$92.73
Platinum	2,940	18%	3.197	1.093	\$1,142,059	\$388.46
Total	16,188	100%	1.732	1.046	\$1,504,010	\$92.91

**All**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	9,576	14%	1.006	1.202	-\$602,564	-\$62.92
Silver	25,512	39%	1.491	1.153	\$385,598	\$15.11
Gold	15,192	23%	1.708	1.049	\$848,104	\$55.83
Platinum	15,768	24%	3.658	1.083	\$8,124,882	\$515.28
Total	66,048	100%	1.988	1.119	\$8,756,020	\$132.57

State Average Premium	\$345.65
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**2017**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	10,008	14%	0.987	1.164	-\$625,174	-\$62.47
Silver	30,358	43%	1.468	1.132	\$551,655	\$18.17
Gold	16,530	24%	1.710	1.028	\$1,178,885	\$71.32
Platinum	13,403	19%	3.332	1.075	\$6,682,343	\$498.58
Total	70,298	100%	1.812	1.101	\$7,787,710	\$110.78

State Average Premium	\$365.56
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Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Summary of Risk Adjustment\***

		(1)	(2)	(3) = (2) x 0.50 Proposed Risk Adjustment PMPM Applied to Projected Index Rate	(4) Risk Adjustment User Fee PMPM**	(5) Paid to Allowed Ratio	(6) = 1 + (((3)/(5))+(4)))/(1) Proposed Value for Rate Filing
		Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)				
<b>GHMSI</b>	2017	\$ 550.96	(\$110.78)	(\$55.39)	\$ 0.13	0.717	0.8599

\* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

\*\* Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual**

	1	2	3	4
		<b>Ind 64- DC GHMSI Projected 2017</b>		
		<b>PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical	\$ 430.52		
	RX	\$ 120.44		
	<b>TOTAL</b>	<b>\$ 550.96</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical	\$ 433.09		
	RX	\$ 120.44		
	<b>TOTAL</b>	<b>\$ 553.53</b>		
Projected EMMs		62,048		
Average Members		5,171		
Paid/Allowed Ratio		71.7%		
Paid Claims & Captns	\$	396.61		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(55.39)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(55.39)</b>		
Paid Claims & Captns (Post-3Rs)	<b>\$</b>	<b>341.22</b>	<b>81.1%</b>	<b>\$ 21,172,205</b>
Administrative Expense	\$	57.78	13.7%	\$ 3,585,198
Broker Commissions & Fee	\$	3.62	0.9%	\$ 224,363
Contribution to Reserve (CtR) - Post-FIT	\$	-	0.0%	\$ -
Investment Income Credit	\$	(0.00)	0.0%	\$ (25)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	8.42	2.0%	\$ 522,134
State Assessment Fees	\$	0.18	0.0%	\$ 11,321
State Income Tax (SIT)	\$	-	0.0%	\$ -
Federal Income Tax (FIT)	\$	-	0.0%	\$ -
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	-	0.0%	\$ -
Risk Adjustment User Fee	\$	0.13	0.0%	\$ 8,066
Exchange Assessment Fee	\$	4.21	1.0%	\$ 261,067
Exchange User Fees (FFEs Only)	\$	-	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.0%	\$ 12,136
BlueRewards/Incentive Program-Medical Debit Cards	\$	5.00	1.2%	\$ 310,240
Other	\$	-	0.0%	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>420.75</b>	<b>100.0%</b>	<b>\$ 26,106,705</b>
Contribution to Reserve (CtR) - Pre-FIT			0.0%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(55.39)	\$	(3,436,862)
Reinsurance Receipts	\$	-	\$	-
BlueRewards/Incentive Program-Medical Debit Cards	\$	-	\$	-
Quality Improvement Expenses (net after MLR reclass from care)	\$	4.95	\$	307,037
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(3.78)	\$	(234,675)
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(54.22)</b>	<b>\$</b>	<b>(3,364,500)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	8.42	\$	522,134
State Assmt Fee	\$	0.18	\$	11,321
State Income Tax	\$	-	\$	-
Federal Income Tax	\$	-	\$	-
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	-	\$	-
Reinsurance Contribution	\$	-	\$	-
Reinsurance Admin. Fee	\$	-	\$	-
Risk Adj User Fees	\$	0.13	\$	8,066
Exchange Assessment Fee	\$	4.21	\$	261,067
Exchange User Fee	\$	-	\$	-
PCORI	\$	0.20	\$	12,136
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>13.13</b>	<b>\$</b>	<b>814,725</b>
FHCR Claims	\$	342.39	\$	21,244,567
FHCR MLR Premium	\$	407.62	\$	25,291,981
<b>FHCR Loss Ratio</b>		<b>84.0%</b>		

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Small Group**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	SG DC GHMSI Projected 1Q17			SG DC GHMSI Projected 2Q17			SG DC GHMSI Projected 3Q17			SG DC GHMSI Projected 4Q17			SG DC GHMSI Projected 2017			2017
			%	\$		%	\$		%	\$		%	\$		%	\$
<b>TRADITIONAL LOSS RATIO</b>																
Allowed Claims & Captns (EHB Only)	Medical	\$ 430.52		\$ 437.88			\$ 445.41			\$ 453.13			\$ 445.25			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 550.96</b>		<b>\$ 561.99</b>			<b>\$ 573.31</b>			<b>\$ 584.94</b>			<b>\$ 573.09</b>			
Allowed Claims & Captns (EHB & Non-EHB)	Medical	\$ 432.82		\$ 440.21			\$ 447.79			\$ 455.55			\$ 447.63			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 553.26</b>		<b>\$ 564.33</b>			<b>\$ 575.69</b>			<b>\$ 587.36</b>			<b>\$ 575.47</b>			
Projected EMMs		91,572		29,976			75,504			197,724			394,776			
Average Members		7,631		2,498			6,292			16,477			32,898			
%		23%		8%			19%			50%			100%			
Paid/Allowed Ratio		85.8%		85.8%			85.8%			85.8%			85.8%			
Paid Claims & Captns		\$ 474.65		\$ 484.00			\$ 493.88			\$ 503.89			\$ 493.68			
"3Bs"																
Risk Corridor		n/a		n/a			n/a			n/a			n/a			
Risk Adjustment/Transfer (Paid Claims Basis)		\$ (38.14)		\$ (38.14)			\$ (38.14)			\$ (38.14)			\$ (38.14)			
Reinsurance Recoveries (State & Federal)		\$ -		\$ -			\$ -			\$ -			\$ -			
(Individual Only, Paid Claims Basis)		\$ -		\$ -			\$ -			\$ -			\$ -			
<b>Subtotal:</b>		<b>\$ (38.14)</b>		<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			
Paid Claims & Captns (Post-3Rs)		\$ 436.51	79.4%	\$ 39,971,936	\$ 445.86	78.9%	\$ 13,365,116	\$ 455.74	78.7%	\$ 34,410,111	\$ 465.75	78.3%	\$ 92,089,769	\$ 455.54	78.6%	\$ 179,836,932
Administrative Expense		\$ 49.46	9.0%	\$ 4,529,369	\$ 49.46	8.8%	\$ 1,482,684	\$ 49.46	8.5%	\$ 3,734,607	\$ 49.46	8.3%	\$ 9,779,889	\$ 49.46	8.5%	\$ 19,526,560
Broker Commissions & Fee		\$ 23.21	4.2%	\$ 2,124,949	\$ 23.21	4.1%	\$ 695,600	\$ 23.21	4.0%	\$ 1,752,088	\$ 23.21	3.9%	\$ 4,588,231	\$ 23.21	4.0%	\$ 9,160,868
Contribution to Reserve (CR) - Post-FIT		\$ 12.10	2.2%	\$ 1,107,639	\$ 12.42	2.2%	\$ 372,449	\$ 12.74	2.2%	\$ 962,111	\$ 13.09	2.2%	\$ 2,588,565	\$ 12.74	2.2%	\$ 5,030,764
Investment Income Credit		\$ (0.00)	0.0%	\$ (49)	\$ (0.00)	0.0%	\$ (16)	\$ (0.00)	0.0%	\$ (43)	\$ (0.00)	0.0%	\$ (115)	\$ (0.00)	0.0%	\$ (223)
<b>Non-ACA Taxes &amp; Fees</b>																
State Premium Tax		\$ 11.00	2.0%	\$ 1,006,944	\$ 11.30	2.0%	\$ 338,590	\$ 11.58	2.0%	\$ 874,646	\$ 11.90	2.0%	\$ 2,353,241	\$ 11.58	2.0%	\$ 4,573,422
State Assessment Fees		\$ 0.63	0.1%	\$ 57,886	\$ 0.65	0.1%	\$ 19,464	\$ 0.67	0.1%	\$ 50,280	\$ 0.68	0.1%	\$ 135,280	\$ 0.67	0.1%	\$ 262,911
State Income Tax (SIT)		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Federal Income Tax (FIT)		\$ 3.30	0.6%	\$ 302,083	\$ 3.39	0.6%	\$ 101,577	\$ 3.48	0.6%	\$ 262,394	\$ 3.57	0.6%	\$ 705,972	\$ 3.48	0.6%	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>																
Health Insurer Fee		\$ 0.37	0.1%	\$ 33,706	\$ 0.37	0.1%	\$ 152,553	\$ 0.37	0.1%	\$ 663,982	\$ 0.37	0.1%	\$ 2,711,716	\$ 0.37	0.1%	\$ 5,561,956
Reinsurance Contribution		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Reinsurance Administrative Fee		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Risk Adjustment User Fee		\$ 0.13	0.0%	\$ 11,904	\$ 0.13	0.0%	\$ 3,897	\$ 0.13	0.0%	\$ 9,816	\$ 0.13	0.0%	\$ 25,704	\$ 0.13	0.0%	\$ 51,321
Exchange Assessment Fee		\$ 5.50	1.0%	\$ 503,472	\$ 5.65	1.0%	\$ 169,295	\$ 5.79	1.0%	\$ 437,323	\$ 5.95	1.0%	\$ 1,176,620	\$ 5.79	1.0%	\$ 2,286,711
Exchange User Fees (FEs) Only		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax		\$ 0.20	0.0%	\$ 17,911	\$ 0.20	0.0%	\$ 5,863	\$ 0.20	0.0%	\$ 14,768	\$ 0.20	0.0%	\$ 40,052	\$ 0.20	0.0%	\$ 78,593
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42	1.3%	\$ 679,464	\$ 7.42	1.3%	\$ 222,422	\$ 7.42	1.3%	\$ 560,240	\$ 7.42	1.2%	\$ 1,467,112	\$ 7.42	1.3%	\$ 2,929,238
Other		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
<b>TOTAL</b>		<b>\$ 549.81</b>	<b>100.0%</b>	<b>\$ 50,347,214</b>	<b>\$ 564.77</b>	<b>100.0%</b>	<b>\$ 16,929,494</b>	<b>\$ 579.21</b>	<b>100.0%</b>	<b>\$ 43,732,323</b>	<b>\$ 595.08</b>	<b>100.0%</b>	<b>\$ 117,662,047</b>	<b>\$ 579.24</b>	<b>100.0%</b>	<b>\$ 228,671,078</b>
Contribution to Reserve (CLR) - Pre-FIT			2.8%			2.8%			2.8%			2.8%			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>																
Risk Adjustment		\$ (38.14)		\$ (3,492,590)	\$ (38.14)		\$ (1,143,296)	\$ (38.14)		\$ (2,879,751)	\$ (38.14)		\$ (7,541,267)	\$ (38.14)		\$ (15,056,904)
Reinsurance Receipts (Individual Only)		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42		\$ 679,464	\$ 7.42		\$ 222,422	\$ 7.42		\$ 560,240	\$ 7.42		\$ 1,467,112	\$ 7.42		\$ 2,929,238
Quality Improvement Expenses		\$ 4.82		\$ 441,769	\$ 4.82		\$ 144,612	\$ 4.82		\$ 364,252	\$ 4.82		\$ 953,875	\$ 4.82		\$ 1,904,508
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)		\$ 7.29		\$ 667,537	\$ 7.29		\$ 218,517	\$ 7.29		\$ 550,405	\$ 7.29		\$ 1,441,358	\$ 7.29		\$ 2,877,817
<b>Numerator (Claims) Adjustment</b>		<b>\$ (18.61)</b>		<b>\$ (1,703,821)</b>	<b>\$ (18.61)</b>		<b>\$ (557,744)</b>	<b>\$ (18.61)</b>		<b>\$ (1,404,854)</b>	<b>\$ (18.61)</b>		<b>\$ (3,678,922)</b>	<b>\$ (18.61)</b>		<b>\$ (7,345,340)</b>
Non-ACA: Taxes & Regulatory Fees																
State Premium Tax		\$ 11.00		\$ 1,006,944	\$ 11.30		\$ 338,590	\$ 11.58		\$ 874,646	\$ 11.90		\$ 2,353,241	\$ 11.58		\$ 4,573,422
State Asmt Fee		\$ 0.63		\$ 57,886	\$ 0.65		\$ 19,464	\$ 0.67		\$ 50,280	\$ 0.68		\$ 135,280	\$ 0.67		\$ 262,911
State Income Tax		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Federal Income Tax		\$ 3.30		\$ 302,083	\$ 3.39		\$ 101,577	\$ 3.48		\$ 262,394	\$ 3.57		\$ 705,972	\$ 3.48		\$ 1,372,026
ACA: Taxes & Regulatory Fees																
Health Insurer Fee		\$ 0.37		\$ 33,706	\$ 0.37		\$ 152,553	\$ 0.37		\$ 663,982	\$ 0.37		\$ 2,711,716	\$ 0.37		\$ 5,561,956
Reinsurance Contribution		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Reinsurance Admin. Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Risk Adj. User Fees		\$ 0.13		\$ 11,904	\$ 0.13		\$ 3,897	\$ 0.13		\$ 9,816	\$ 0.13		\$ 25,704	\$ 0.13		\$ 51,321
Exchange Assessment Fee		\$ 5.50		\$ 503,472	\$ 5.65		\$ 169,295	\$ 5.79		\$ 437,323	\$ 5.95		\$ 1,176,620	\$ 5.79		\$ 2,286,711
Exchange User Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
PCORI		\$ 0.20		\$ 17,911	\$ 0.20		\$ 5,863	\$ 0.20		\$ 14,768	\$ 0.20		\$ 40,052	\$ 0.20		\$ 78,593
<b>Denominator (Premium) Adjustment</b>		<b>\$ 21.12</b>		<b>\$ 1,933,906</b>	<b>\$ 26.40</b>		<b>\$ 791,239</b>	<b>\$ 30.64</b>		<b>\$ 2,313,209</b>	<b>\$ 36.15</b>		<b>\$ 7,148,585</b>	<b>\$ 30.87</b>		<b>\$ 12,186,940</b>
FHCR Claims		\$ 456.04		\$ 41,760,705	\$ 465.39		\$ 13,950,668	\$ 475.27		\$ 35,885,008	\$ 485.28		\$ 95,952,114	\$ 475.08		\$ 187,548,495
FHCR MLR Premium		\$ 528.69		\$ 48,413,308	\$ 538.37		\$ 16,138,255	\$ 548.57		\$ 41,419,114	\$ 558.93		\$ 110,513,461	\$ 548.37		\$ 216,484,138
<b>FHCR Loss Ratio</b>		<b>86.3%</b>			<b>86.4%</b>			<b>86.6%</b>			<b>86.8%</b>			<b>86.6%</b>		

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual and Small Group Combined**

	1	2	3	4
		<b>SG &amp; Ind</b>		
		<b>DC GHMSI</b>		
		Projected		
		2017		
		<b>PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical \$	443.25		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>570.08</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	445.65		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>572.49</b>		
Projected EMMs		456,824		
Average Members		38,069		
Paid/Allowed Ratio		83.9%		
Paid Claims & Captns	\$	480.50		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(40.48)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(40.48)</b>		
Paid Claims & Captns (Post-3Rs)	\$	<b>440.01</b>	<b>78.9%</b>	<b>\$ 201,009,137</b>
Administrative Expense	\$	<b>50.59</b>	9.1%	\$ 23,111,758
Broker Commissions & Fee	\$	<b>20.54</b>	3.7%	\$ 9,385,231
Contribution to Reserve (CTR) - Post-FIT	\$	<b>11.01</b>	<b>2.0%</b>	\$ 5,030,764
Investment Income Credit	\$	(0.00)	<b>0.0%</b>	\$ (248)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	11.15	<b>2.0%</b>	\$ 5,095,556
State Assessment Fees	\$	0.60	<b>0.1%</b>	\$ 274,232
State Income Tax (SIT)	\$	-	<b>0.0%</b>	\$ -
Federal Income Tax (FIT)	\$	3.00	<b>0.5%</b>	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	7.80	<b>1.4%</b>	\$ 3,561,956
<b>Reinsurance Contribution</b>	\$	-	<b>0.0%</b>	\$ -
<b>Reinsurance Administrative Fee</b>	\$	-	<b>0.0%</b>	\$ -
Risk Adjustment User Fee	\$	<b>0.13</b>	<b>0.0%</b>	\$ 59,387
<b>Exchange Assessment Fee</b>	\$	5.58	<b>1.0%</b>	\$ 2,547,778
<b>Exchange User Fees (FFEs Only)</b>	\$	-	<b>0.0%</b>	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	<b>0.20</b>	<b>0.0%</b>	\$ 90,729
BlueRewards/Incentive Program-Medical Debit Cards	\$	<b>7.09</b>	1.3%	\$ 3,239,478
Other	\$	-	<b>0.0%</b>	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>557.72</b>	<b>100.0%</b>	<b>\$ 254,777,783</b>
Contribution to Reserve (CTR) - Pre-FIT			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(40.48)	\$	(18,493,766)
Reinsurance Receipts (Individual Only)	\$	-	\$	-
BlueRewards/Incentive Program-Medical Debit Cards	\$	6.41	\$	2,929,238
Quality Improvement Expenses	\$	4.84	\$	2,211,545
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	5.79	\$	2,643,142
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(23.44)</b>	<b>\$</b>	<b>(10,709,841)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	11.15	\$	5,095,556
State Assmt Fee	\$	0.60	\$	274,232
State Income Tax	\$	-	\$	-
Federal Income Tax	\$	3.00	\$	1,372,026
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	7.80	\$	3,561,956
Reinsurance Contribution	\$	\$0.00	\$	-
Reinsurance Admin. Fee	\$	\$0.00	\$	-
Risk Adj User Fees	\$	0.13	\$	59,387
Exchange Assessment Fee	\$	5.58	\$	2,547,778
Exchange User Fee	\$	-	\$	-
PCORI	\$	0.20	\$	90,729
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>28.46</b>	<b>\$</b>	<b>13,001,664</b>
FHCR Claims	\$	457.05	\$	208,793,062
FHCR MLR Premium	\$	529.25	\$	241,776,119
<b>FHCR Loss Ratio</b>		<b>86.4%</b>		

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
IND64- DC GHMSI PLAN LEVEL DERIVATIONS

	1	2	3	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22			
		ON-	OFF-	TOTAL		PROJ INDEX	Market-Level Adjustments (MLA)				Mkt-Adj INDEX	Plan-Level Adjustments (PLA)								Plan-Adj INDEX	Normalization/Calibration				Consumer Adjusted		
		Exchange 2017 Projected EMMs	Exchange 2017 Projected EMMs	2017 Projected EMMs	%	RATE (Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	RATE (Post- MLA)	CF Pricing Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	RATE (Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	2017 PREMIUM RATES
1																											
2																											
3																											
4																											
5																											
6																											
7																											
8																											
9																											
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22																											

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined**

		Item Calculation
2015 AV	83.34%	(1)
2015 Induced Demand Factor	1.103	(2)
2017 AV	83.29%	(3)
2017 Induced Demand Factor	1.103	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	0.0%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Calculation of Other Projection Factors**

<b>Ind&lt;65</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.940	0.952
Capitation	1.000	0.830	1.000	0.830

<b>Small Group</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.934	0.946
Capitation	1.000	0.830	1.000	0.830

<b>Combined</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.935	0.947
Capitation	1.000	0.830	1.000	0.830

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for "Other" adjustment factors**

**1. Factors to adjust for capitation schedule changes**

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.06	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	<u>(\$0.18)</u>	(2)	
Projection Period Capitation PMPM	\$0.88	(3)	
<b>Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)</b>			
	<b>-17.0%</b>		<b>(4) = [(3) / (1)] - 1</b>

**2. Rx Rebates Adjustment**

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

**Ind64-**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$173.15	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Ind64- Only)</b>	<b>-6.0%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

**Small Group**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$122.60	(1)	
Experience Period Rx Rebates PMPM	(\$29.28)	(2)	
Projection Period Rx Rebates PMPM	(\$35.43)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Small Group Only)</b>	<b>-6.6%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

<b>Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)</b>	<b>-6.5%</b>
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**3. Demographic Factor Derivation (see page 19 for details)**

<b>Demographic Impact (Blended Across Single Risk Pool)</b>	<b>1.3%</b>
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Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**

**Demographic Factor Derivation**

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	Change
Totals	42,781	72,534.40		43,323	74,405.20	1.3%
Average Age Factor		1.695			1.717	20.2%
Average Age		42.4			42.6	
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	9858	0.750	7,393.50	9531	0.750	7,148.25
21	326	1.000	325.83	305	1.000	305.33
22	491	1.016	498.75	420	1.016	427.11
23	650	1.048	681.28	607	1.048	636.72
24	792	1.065	842.92	706	1.065	751.90
25	948	1.081	1,024.27	869	1.081	939.44
26	1210	1.113	1,346.43	1182	1.113	1,315.82
27	1078	1.129	1,217.10	1076	1.129	1,214.84
28	1063	1.145	1,217.31	1112	1.145	1,273.42
29	1083	1.177	1,275.15	1134	1.177	1,335.19
30	1004	1.194	1,198.32	1126	1.194	1,343.94
31	1024	1.226	1,255.23	1065	1.226	1,305.48
32	1013	1.242	1,258.08	1053	1.242	1,307.76
33	910	1.274	1,159.52	1035	1.274	1,318.79
34	862	1.290	1,112.26	941	1.290	1,214.19
35	901	1.323	1,191.65	889	1.323	1,175.77
36	824	1.339	1,103.10	911	1.339	1,219.56
37	802	1.371	1,099.52	851	1.371	1,166.69
38	753	1.403	1,056.63	826	1.403	1,159.06
39	741	1.419	1,051.74	783	1.419	1,111.35
40	716	1.452	1,039.35	757	1.452	1,098.87
41	671	1.548	1,038.97	678	1.548	1,049.81
42	702	1.629	1,143.58	690	1.629	1,124.03
43	676	1.694	1,144.84	715	1.694	1,210.89
44	706	1.774	1,252.58	707	1.774	1,254.35
45	724	1.855	1,342.90	711	1.855	1,318.79
46	734	1.952	1,432.48	718	1.952	1,401.26
47	660	2.032	1,341.29	727	2.032	1,477.45
48	637	2.129	1,356.19	653	2.129	1,390.26
49	654	2.226	1,455.68	633	2.226	1,408.94
50	587	2.323	1,363.35	622	2.323	1,444.65
51	630	2.468	1,554.68	592	2.468	1,460.90
52	618	2.597	1,604.81	652	2.597	1,693.10
53	660	2.710	1,788.39	593	2.710	1,606.84
54	621	2.823	1,752.82	630	2.823	1,778.23
55	561	2.968	1,664.90	612	2.968	1,816.26
56	535	3.097	1,656.77	564	3.097	1,746.58
57	541	3.258	1,762.61	546	3.258	1,778.90
58	497	3.387	1,683.39	545	3.387	1,845.97
59	503	3.565	1,792.95	512	3.565	1,825.03
60	502	3.710	1,862.26	532	3.710	1,973.55
61	456	3.871	1,765.16	495	3.871	1,916.13
62	454	4.065	1,845.29	484	4.065	1,967.23
63	464	4.258	1,975.74	449	4.258	1,911.87
64 and Over	1940	4.435	8,604.84	2082	4.435	9,234.68
	<b>42,781</b>		<b>72,534.40</b>	<b>43,323</b>		<b>74,405.20</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined**

**Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)**

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM
GHMSI	1,099,726	550,798	<b>\$2.00</b>

	Projected PMPM
1Q17	\$2.34
2Q17	\$2.39
3Q17	\$2.44
4Q17	\$2.48

**Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)**

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group
\$1.16	90%	\$1.04	<b>\$0.09</b>

	Projected PMPM
1Q17	\$0.09
2Q17	\$0.09
3Q17	\$0.09
4Q17	\$0.09

	Projection Period Non-EHB
1Q17	<b>\$2.43</b>
2Q17	<b>\$2.48</b>
3Q17	<b>\$2.53</b>
4Q17	<b>\$2.57</b>

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
Estimate of non-EHB in Experience and Projection Periods

Abortion:

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected Allowed	Projected 2017 Member Months (On-Exchange)	Projected PMPM
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
<b>SUM:</b>	<b>\$263,533</b>	<b>185,889</b>	<b>\$1.42</b>	<b>\$245,398</b>	<b>160,801</b>	<b>\$1.53</b>

Core Vision

	% Membership	Experience Period Capitation	Future Capitation PMPM
		\$0.10	\$1.22
% pediatric members	1%	\$0.00 EHB portion of capitation	\$0.02
% non-pediatric	99%	\$0.10 non-EHB portion of capitation	\$1.04

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI - Abortion Cost Test > \$1.00**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	Overall
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 3.10	\$ 2.55	\$ 1.96	\$ <b>2.35</b>
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	
Risk Adjustment	0.860	0.860	0.860	
Exchange User Fees	1.000	1.000	1.000	
<b>Index Rate - Post Market Level Adj.</b>	<b>\$2.67</b>	<b>\$2.19</b>	<b>\$1.69</b>	\$ <b>2.03</b>
Cost-Share Factor	0.528	0.644	0.835	0.811
Network & UM	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.000	1.000	1.000	<b>1.000</b>
Catastrophic Adj	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.233	1.233	1.233	<b>1.233</b>
<b>Index Rate - Plan Level</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>
Pricing AV	65.1%	79.4%	102.9%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
Lowest Age Factor >= \$1.00	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	
HSA/Non-HSA Factor	1.01	1.01	1.01	<b>1.01</b>
Benefit Generosity Factor	0.91	0.93	0.98	<b>0.95</b>
Allowed non-EHB	\$2.57	\$2.57	\$2.57	<b>\$2.57</b>
<b>2016 Index Rate - Plan Level</b>	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>2016 Base Premium</b>	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI Plan Level Rate Derivation - On Exchange**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	<b>Overall</b>
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 550.96	\$ 550.96	\$ 550.96	\$ <b>550.96</b>
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	<b>1.000</b>
Risk Adjustment	0.860	0.860	0.860	<b>0.860</b>
Exchange User Fees	1.000	1.000	1.000	<b>1.000</b>
<b>Index Rate - Post Market Level Adj.</b>	<b>\$473.78</b>	<b>\$473.78</b>	<b>\$473.78</b>	\$ <b>473.78</b>
Cost-Share Factor	0.528	0.644	0.835	<b>0.717</b>
Network & UM	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.009	1.008	1.006	<b>1.007</b>
Catastrophic Adj	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.233	1.233	1.233	<b>1.233</b>
<b>Index Rate - Plan Level</b>	<b>\$311.19</b>	<b>\$378.97</b>	<b>\$490.75</b>	<b>\$421.53</b>
Pricing AV	65.7%	80.0%	103.6%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$273.93</b>	<b>\$333.60</b>	<b>\$432.00</b>	<b>\$371.07</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
<b>2016 Index Rate - Plan Level</b>	\$ 291.72	\$ 328.31	\$ 539.28	\$ 421.88
<b>% Change</b>	<b>6.7%</b>	<b>15.4%</b>	<b>-9.0%</b>	<b>-0.1%</b>
<b>2016 Base Premium</b>	\$ 256.57	\$ 288.75	\$ 474.30	\$ 371.05
<b>% Change</b>	<b>6.8%</b>	<b>15.5%</b>	<b>-8.9%</b>	<b>0.0%</b>

<b>Non-EHB</b>			
Core Vision (Adult)	\$1.04	\$1.04	\$1.04
Abortion	\$3.10	\$2.55	\$1.96

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members
16,832	1,832	15,000
On Exchange	100%	15,000

\*Stonegate study used to project % purchasing by metal level

Metal Level	% purchased	Members Purchased
Catastrophic	5%	769
Bronze	27%	4,013
Silver	32%	4,804
Gold	36%	5,414
Total	100%	15,000

% by FPL Estimate	
<150%	0.0%
151%-200%	0.0%
201%-250%	1.1%
251%+	98.9%
Total	100.0%

			Distribution of Non-GF Membership												
			January 60%	February 10%	March 10%	April 10%	May 3.0%	June 1.0%	July 1.0%	August 1.0%	September 1.0%	October 1.0%	November 1.0%	December 1.0%	100.0%
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244
<b>Bronze Plans</b>	<b>4,013</b>														
BluePreferred PPO Standard Bronze \$5,000	21%	839	6042	923	839	755	201	59	50	42	34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024
<b>Silver Plans</b>	<b>4,804</b>														
BlueChoice HMO Standard Silver \$2000	51%	2,464	17741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Gold Plans</b>	<b>5,414</b>														
BlueChoice HMO Standard Gold \$500	50%	2,701	19449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081
BluePreferred Subtotal	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048
BlueChoice Subtotal	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753
Grand Total	100.0%	15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801

62,048	Member Months
98,753	Member Months
160,801	Member Months



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Pricing AV**

Projected EMMs (PPO)	Plan Name	AV w/ Federal model (Different allowed per metal)	AV from internal Model (Fixed allowed per metal)	AV from internal Model All Silver at Base	Induced Utilization (Adj. allowed per fed Model)	Induced Utilization Scaled	HSA vs Non- HSA (Adj for HSA behavior)	HSA vs Non- HSA Scaled
8,996	BluePreferred PPO Standard Bronze \$5,000	62.0%	57.8%	57.8%	1.00	0.91	1.006	1.006
23,340	BluePreferred PPO Standard Silver \$2,000	71.7%	68.5%	68.5%	1.03	0.93	1.006	1.006
631	CSR 200-250%	73.0%	70.8%	68.5%	1.03	0.93	1.006	1.006
29,081	BluePreferred PPO Standard Gold \$500	81.9%	84.6%	84.6%	1.08	0.98	1.006	1.006
<b>62,048</b>		<b>75.1%</b>	<b>74.5%</b>	<b>74.5%</b>	<b>1.05</b>	<b>0.95</b>	<b>1.006</b>	<b>1.006</b>
<b>Silver Average</b>			<b>68.5%</b>			0.93		1.01
Fed Ave subsidy on Silver			0.1%					
			68.5%					

Internal AV model was developed using 2015 claims data.

Support for the normalization of factors can be found on page 29.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for Normalization Across Individual (Ind) and Small Group (SG)**

<b>Metal Level</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Platinum</b>	SG & Ind	1.150	214,896	1.044
<b>Gold</b>	SG & Ind	1.080	145,505	0.980
<b>Silver</b>	SG & Ind	1.030	86,796	0.935
<b>Silver CSR</b>	Ind	1.030	631	0.935
<b>Bronze</b>	SG & Ind	1.000	8,996	0.908
		1.102	456,824	1.000

  

<b>HSA/HRA</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Other</b>	SG	0.960	58,284	0.960
	SG & Ind		398,540	1.006
			456,824	1.000

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Age Factor Calibration**

Member Age	Member Count	Members * Age Factor	Age Rate
0-20	673	440	\$ 317.27
21	26	19	\$ 352.69
22	40	29	\$ 352.69
23	39	28	\$ 352.69
24	37	27	\$ 352.69
25	49	36	\$ 352.69
26	93	68	\$ 352.69
27	192	140	\$ 352.69
28	185	138	\$ 360.94
29	194	147	\$ 368.70
30	166	129	\$ 377.91
31	161	129	\$ 387.62
32	187	153	\$ 396.35
33	163	136	\$ 405.57
34	151	129	\$ 415.27
35	135	118	\$ 424.97
36	151	135	\$ 434.67
37	160	147	\$ 444.38
38	142	132	\$ 449.71
39	125	117	\$ 455.05
40	124	121	\$ 473.00
41	99	100	\$ 491.43
42	110	116	\$ 510.84
43	103	113	\$ 530.73
44	95	108	\$ 551.59
45	93	110	\$ 572.94
46	92	113	\$ 595.25
47	109	139	\$ 618.54
48	105	139	\$ 642.79
49	87	120	\$ 668.02
50	89	127	\$ 694.22
51	82	122	\$ 721.39
52	101	156	\$ 749.52
53	89	143	\$ 778.63
54	85	142	\$ 809.19
55	95	165	\$ 840.73
56	78	140	\$ 873.72
57	87	163	\$ 907.67
58	85	165	\$ 943.09
59	86	174	\$ 979.96
60	98	206	\$ 1,018.28
61	81	177	\$ 1,058.06
62	103	225	\$ 1,058.06
63	69	150	\$ 1,058.06
64+	197	430	\$ 1,058.06
<b>Grand Total</b>	<b>5,511</b>	<b>6,259</b>	

**Avg Age Factor:** 1.136 = 6,259/5,511

**\$ 550.96**

**Interpolated Age:** (based on DC Age Curve) **43.97**      **Closest Age:** (as an Integer, based on DC Age Curve) **44.0**

**Avg Age Factor:** 1.136      **DC Factor** (matching above integer) **1.137**  
**1/1.136 = 0.880**      **Calibration Factor:** **1/1.137 = 0.880**

Value of calibration factor  
- adjustment to DC Factor  
-0.1%  
= 0.880/0.880 - 1

# Appendix

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Rating Methodology**

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factors will be multiplied together to get the composite member factor.

Once each member's composite factor is computed, they are added together to get the total factor for the policy. Each family member is included in the calculation, except for families that have four or more children 20 years of younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Reserve Calculation Methodology**

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**2017 DC Age Rating Factors**

Age Band	Age Factor	Age Factor % Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Inpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Admits	Allowed	Admits/1 000	Unit Cost	Allowed	Admits/1000	Unit Cost
201304	21,193	38,080	2,706,146	158	1.00	2,706,146	158						
201305	21,193	37,963	2,328,360	182	1.00	2,328,360	182						
201306	21,060	37,755	2,621,955	183	1.00	2,621,955	183						
201307	21,055	37,782	2,467,150	183	1.00	2,467,151	183						
201308	21,353	38,228	2,531,449	182	1.00	2,531,450	182						
201309	21,182	37,860	4,240,017	166	1.00	4,240,034	166						
201310	21,207	37,864	2,806,086	163	1.00	2,806,131	163						
201311	21,254	38,041	2,919,765	182	1.00	2,919,843	182						
201312	21,331	38,279	2,854,604	183	1.00	2,854,683	183						
201401	24,902	44,057	5,284,759	242	1.00	5,284,972	242						
201402	25,080	44,387	3,061,450	223	1.00	3,061,667	223						
201403	24,931	44,090	3,129,745	234	1.00	3,129,990	234	77.90	57.70	\$16,199.64			
201404	24,785	43,924	3,482,980	224	1.00	3,483,296	224	78.57	58.65	\$16,075.08			
201405	24,805	43,935	2,515,112	204	1.00	2,515,966	204	77.99	58.47	\$16,004.50			
201406	24,716	43,873	3,541,957	214	1.00	3,543,615	214	78.89	58.50	\$16,181.12			
201407	24,316	43,152	3,125,059	199	1.00	3,126,897	199	79.36	58.26	\$16,346.26			
201408	24,062	42,822	5,181,493	198	1.00	5,185,635	198	83.92	58.11	\$17,328.84			
201409	23,690	42,199	2,518,516	180	1.00	2,520,958	180	79.81	57.95	\$16,525.84			
201410	23,274	41,506	3,974,070	200	1.00	3,978,486	200	81.54	58.41	\$16,750.17			
201411	22,980	40,925	2,746,742	170	1.00	2,750,780	170	80.75	57.81	\$16,761.38			
201412	21,579	38,192	2,412,514	188	1.00	2,417,050	188	79.91	57.95	\$16,548.57			
201501	21,542	37,787	3,051,955	165	1.00	3,058,941	165	76.51	56.85	\$16,149.90			
201502	21,542	37,690	2,169,380	170	1.00	2,175,110	170	75.76	56.35	\$16,133.93			
201503	21,607	37,674	3,286,825	226	1.00	3,298,592	227	77.09	56.90	\$16,255.76	-1.0%	-1.4%	0.3%
201504	21,614	37,643	2,871,128	184	0.99	2,887,588	185	76.86	56.68	\$16,272.15	-2.2%	-3.4%	1.2%
201505	21,454	37,323	3,169,873	189	0.99	3,194,026	190	79.32	57.12	\$16,665.36	1.7%	-2.3%	4.1%
201506	21,398	37,220	3,518,275	176	0.99	3,553,332	178	80.46	57.00	\$16,938.61	2.0%	-2.6%	4.7%
201507	21,342	37,169	3,425,587	201	0.99	3,470,365	204	82.22	57.84	\$17,056.91	3.6%	-0.7%	4.3%
201508	21,210	36,937	3,058,978	185	0.98	3,119,754	189	78.80	58.33	\$16,209.44	-6.1%	0.4%	-6.5%
201509	21,229	36,930	2,982,819	169	0.97	3,064,581	174	80.89	58.83	\$16,499.42	1.4%	1.5%	-0.2%
201510	21,162	36,764	3,055,234	186	0.96	3,172,910	193	79.96	59.26	\$16,190.92	-1.9%	1.5%	-3.3%
201511	21,237	36,921	1,986,932	139	0.94	2,108,233	147	79.24	59.18	\$16,067.03	-1.9%	2.4%	-4.1%
201512	21,076	36,508	2,577,822	168	0.92	2,791,730	182	80.38	59.23	\$16,283.93	0.6%	2.2%	-1.6%
201601	21,871	37,311	2,092,577	154	0.78	2,692,072	198	79.64	60.19	\$15,879.60	4.1%	5.9%	-1.7%
201602	22,711	38,298	384,657	32	0.28	1,393,274	116	77.79	58.63	\$15,920.89	2.7%	4.0%	-1.3%
Experience Period													
Period		256,413	446,566	35,154,806	2,158	0.98	35,895,163	2,204					
201503		21,607	37,674								-1.0%	-1.4%	0.3%
201509		21,229	36,930								1.4%	1.5%	-0.2%
201512		21,076	36,508								0.6%	2.2%	-1.6%
Avg last 6 months		21,209	36,872								-0.7%	1.2%	-1.9%
Selected Pricing Trend												1.0%	0.0%



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Outpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	21,193	38,080	3,124,547	2,675	1.00	3,124,547	2,675						
201305	21,193	37,963	3,196,739	2,705	1.00	3,196,739	2,705						
201306	21,060	37,755	2,952,037	2,541	1.00	2,952,037	2,541						
201307	21,055	37,782	3,352,561	2,681	1.00	3,352,562	2,681						
201308	21,353	38,228	3,087,963	2,707	1.00	3,087,965	2,707						
201309	21,182	37,860	2,918,120	2,561	1.00	2,918,132	2,561						
201310	21,207	37,864	3,368,061	2,803	1.00	3,368,114	2,803						
201311	21,254	38,041	2,980,658	2,499	1.00	2,980,738	2,499						
201312	21,331	38,279	3,066,125	2,745	1.00	3,066,211	2,745						
201401	24,902	44,057	3,631,473	3,220	1.00	3,631,611	3,220						
201402	25,080	44,387	3,541,154	2,970	1.00	3,541,389	2,970						
201403	24,931	44,090	4,133,029	3,156	1.00	4,133,319	3,156	82.96	841.43	\$1,183.07			
201404	24,785	43,924	3,761,331	3,258	1.00	3,761,719	3,258	83.27	845.77	\$1,181.51			
201405	24,805	43,935	3,664,390	3,160	1.00	3,665,771	3,161	83.22	846.64	\$1,179.47			
201406	24,716	43,873	3,782,931	3,151	1.00	3,784,718	3,152	83.87	851.03	\$1,182.66			
201407	24,316	43,152	4,131,300	3,204	1.00	4,133,627	3,206	84.54	854.50	\$1,187.18			
201408	24,062	42,822	4,019,387	3,027	1.00	4,022,413	3,029	85.62	854.38	\$1,202.62			
201409	23,690	42,199	3,677,139	3,204	1.00	3,680,697	3,207	86.40	862.37	\$1,202.22			
201410	23,274	41,506	4,504,989	3,368	1.00	4,510,129	3,372	88.02	869.59	\$1,214.61			
201411	22,980	40,925	3,909,356	2,895	1.00	3,915,330	2,899	89.34	874.07	\$1,226.60			
201412	21,579	38,192	4,201,120	2,950	1.00	4,209,143	2,956	91.59	879.14	\$1,250.14			
201501	21,542	37,787	4,014,544	2,855	1.00	4,022,647	2,861	93.49	881.50	\$1,272.71			
201502	21,542	37,690	3,258,294	2,473	1.00	3,267,034	2,480	94.20	881.54	\$1,282.24			
201503	21,607	37,674	3,871,159	2,909	1.00	3,884,583	2,919	94.92	887.23	\$1,283.76	14.4%	5.4%	8.5%
201504	21,614	37,643	3,844,032	2,738	0.99	3,866,070	2,754	96.35	886.24	\$1,304.65	15.7%	4.8%	10.4%
201505	21,454	37,323	3,659,514	2,685	0.99	3,687,453	2,705	97.72	887.05	\$1,321.99	17.4%	4.8%	12.1%
201506	21,398	37,220	3,707,901	2,796	0.99	3,745,006	2,824	99.01	891.19	\$1,333.20	18.0%	4.7%	12.7%
201507	21,342	37,169	3,589,807	2,848	0.99	3,636,810	2,885	99.21	894.36	\$1,331.21	17.4%	4.7%	12.1%
201508	21,210	36,937	3,571,519	2,797	0.98	3,642,212	2,852	99.66	901.15	\$1,327.03	16.4%	5.5%	10.3%
201509	21,229	36,930	3,441,562	2,725	0.97	3,535,624	2,799	100.49	900.84	\$1,338.58	16.3%	4.5%	11.3%
201510	21,162	36,764	3,903,134	2,770	0.96	4,053,445	2,877	100.53	897.14	\$1,344.68	14.2%	3.2%	10.7%
201511	21,237	36,921	3,831,600	2,802	0.94	4,065,368	2,973	101.76	907.13	\$1,346.18	13.9%	3.8%	9.7%
201512	21,076	36,508	4,013,620	2,877	0.92	4,344,916	3,116	102.45	914.86	\$1,343.83	11.9%	4.1%	7.5%
201601	21,871	37,311	3,561,668	2,563	0.78	4,577,771	3,295	103.80	927.50	\$1,343.02	11.0%	5.2%	5.5%
201602	22,711	38,298	878,827	938	0.28	3,119,677	3,323	103.33	948.91	\$1,306.77	9.7%	7.6%	1.9%
Experience													
Period	256,413	446,566	44,706,687	33,275	0.98	45,751,169	34,045						
201503	21,607	37,674									14.4%	5.4%	8.5%
201509	21,229	36,930									16.3%	4.5%	11.3%
201512	21,076	36,508									11.9%	4.1%	7.5%
Avg last 6 months	21,209	36,872									15.0%	4.3%	10.3%
Selected Pricing Trend												3.5%	9.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Professional**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

						Completed		Rolling 12 PMPM			Rolling 12 Trend						
Month	Contracts	Members	Allowed	Visits	Completion Factor	Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost				
201304	21,193	38,080	5,520,794	34,554	1.00	5,520,794	34,554										
201305	21,193	37,963	5,388,719	33,999	1.00	5,388,719	33,999										
201306	21,060	37,755	4,958,844	30,922	1.00	4,958,844	30,922										
201307	21,055	37,782	5,262,810	32,865	1.00	5,262,812	32,865										
201308	21,353	38,228	5,215,064	32,386	1.00	5,215,067	32,386										
201309	21,182	37,860	5,243,720	31,924	1.00	5,243,741	31,924										
201310	21,207	37,864	5,875,607	37,231	1.00	5,875,701	37,232										
201311	21,254	38,041	5,155,049	32,676	1.00	5,155,187	32,677										
201312	21,331	38,279	5,182,613	31,902	1.00	5,182,758	31,903										
201401	24,902	44,057	6,850,811	39,547	1.00	6,851,089	39,549										
201402	25,080	44,387	5,907,566	35,171	1.00	5,907,976	35,173										
201403	24,931	44,090	6,161,660	37,366	1.00	6,162,090	37,369							140.66	10,385.27	\$162.52	
201404	24,785	43,924	6,409,920	39,255	1.00	6,410,566	39,259							140.80	10,376.45	\$162.83	
201405	24,805	43,935	6,341,589	38,630	1.00	6,344,006	38,645							141.03	10,363.66	\$162.30	
201406	24,716	43,873	6,194,808	37,835	1.00	6,197,750	37,853							141.80	10,403.81	\$163.55	
201407	24,316	43,152	6,273,528	37,905	1.00	6,277,088	37,927							142.30	10,413.60	\$163.98	
201408	24,062	42,822	5,938,489	35,377	1.00	5,943,066	35,404							142.45	10,390.46	\$164.52	
201409	23,690	42,199	6,158,931	38,179	1.00	6,164,972	38,217							143.05	10,450.52	\$164.26	
201410	23,274	41,506	9,245,787	42,905	1.00	9,256,505	42,954							148.65	10,510.50	\$169.72	
201411	22,980	40,925	5,442,429	34,095	1.00	5,450,749	34,147							148.39	10,485.81	\$169.82	
201412	21,579	38,192	5,703,942	35,042	1.00	5,714,559	35,107							149.46	10,562.53	\$169.80	
201501	21,542	37,787	5,816,350	33,890	1.00	5,828,167	33,959	149.29	10,560.86	\$169.63							
201502	21,542	37,690	5,003,704	29,892	1.00	5,017,078	29,972	149.50	10,577.47	\$169.61							
201503	21,607	37,674	5,804,754	33,806	1.00	5,824,901	33,923	150.76	10,631.18	\$170.18					7.2%	2.4%	4.7%
201504	21,614	37,643	5,920,628	34,624	0.99	5,954,574	34,823	151.77	10,658.96	\$170.87					7.8%	2.7%	4.9%
201505	21,454	37,323	5,523,819	32,612	0.99	5,565,982	32,861	152.24	10,661.18	\$171.36					7.9%	2.9%	4.9%
201506	21,398	37,220	5,842,164	34,404	0.99	5,900,640	34,749	153.75	10,732.21	\$171.91					8.4%	3.2%	5.1%
201507	21,342	37,169	6,023,146	34,064	0.99	6,102,047	34,510	155.34	10,781.80	\$172.89					9.2%	3.5%	5.4%
201508	21,210	36,937	5,437,893	31,996	0.98	5,545,871	32,632	156.46	10,847.10	\$173.09					9.8%	4.4%	5.2%
201509	21,229	36,930	5,509,353	33,202	0.97	5,659,962	34,110	157.16	10,864.33	\$173.59					9.9%	4.0%	5.7%
201510	21,162	36,764	6,126,912	36,545	0.96	6,362,858	37,953	152.41	10,845.55	\$168.63					2.5%	3.2%	-0.6%
201511	21,237	36,921	5,523,964	32,747	0.94	5,861,125	34,746	154.69	10,958.45	\$169.39					4.2%	4.5%	-0.3%
201512	21,076	36,508	5,439,185	32,788	0.92	5,892,301	35,525	155.67	11,010.99	\$169.65					4.2%	4.2%	-0.1%
201601	21,871	37,311	4,797,164	28,526	0.78	6,169,608	36,689	156.60	11,096.19	\$169.35	4.9%	5.1%	-0.2%				
201602	22,711	38,298	2,278,478	14,509	0.28	8,094,090	51,552	163.27	11,660.82	\$168.02	9.2%	10.2%	-0.9%				
Experience Period	256,413	446,566	67,971,872	400,570	0.98	69,515,507	409,761										
201503	21,607	37,674									7.2%			2.4%	4.7%		
201509	21,229	36,930									9.9%			4.0%	5.7%		
201512	21,076	36,508									4.2%			4.2%	-0.1%		
Avg last 6 months	21,209	36,872									6.6%			4.0%	2.6%		
Selected Pricing Trend												3.0%			2.0%		

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Other**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost
201304	21,193	38,080	782,265	3,001	1.00	782,265	3,001						
201305	21,193	37,963	723,683	3,019	1.00	723,683	3,019						
201306	21,060	37,755	670,837	2,591	1.00	670,837	2,591						
201307	21,055	37,782	859,527	2,774	1.00	859,527	2,774						
201308	21,353	38,228	968,478	2,955	1.00	968,478	2,955						
201309	21,182	37,860	865,426	2,895	1.00	865,430	2,895						
201310	21,207	37,864	940,619	3,310	1.00	940,634	3,310						
201311	21,254	38,041	848,856	2,872	1.00	848,879	2,872						
201312	21,331	38,279	966,975	2,935	1.00	967,002	2,935						
201401	24,902	44,057	933,103	3,301	1.00	933,141	3,301						
201402	25,080	44,387	916,056	3,459	1.00	916,123	3,459						
201403	24,931	44,090	1,204,239	3,932	1.00	1,204,331	3,932	22.51	937.08	\$288.31			
201404	24,785	43,924	1,062,098	4,220	1.00	1,062,232	4,220	22.82	956.14	\$286.44			
201405	24,805	43,935	1,185,918	3,709	1.00	1,186,351	3,710	23.49	961.46	\$293.23			
201406	24,716	43,873	1,135,003	4,128	1.00	1,135,533	4,130	24.15	987.02	\$293.57			
201407	24,316	43,152	1,095,541	4,303	1.00	1,096,152	4,305	24.36	1,013.28	\$288.50			
201408	24,062	42,822	1,129,619	3,874	1.00	1,130,461	3,877	24.46	1,026.04	\$286.08			
201409	23,690	42,199	1,113,150	4,360	1.00	1,114,217	4,364	24.74	1,052.05	\$282.22			
201410	23,274	41,506	1,122,162	4,542	1.00	1,123,435	4,547	24.92	1,073.63	\$278.58			
201411	22,980	40,925	1,035,816	4,212	1.00	1,037,439	4,218	25.15	1,099.08	\$274.61			
201412	21,579	38,192	1,194,954	5,204	1.00	1,197,212	5,213	25.60	1,152.55	\$266.58			
201501	21,542	37,787	1,092,006	4,580	1.00	1,094,234	4,589	26.24	1,197.31	\$262.98			
201502	21,542	37,690	1,149,190	4,263	1.00	1,152,275	4,274	27.06	1,232.89	\$263.41			
201503	21,607	37,674	1,126,623	4,931	1.00	1,130,523	4,947	27.26	1,273.59	\$256.89	21.1%	35.9%	-10.9%
201504	21,614	37,643	1,317,532	5,045	0.99	1,325,085	5,074	28.16	1,311.02	\$257.71	23.4%	37.1%	-10.0%
201505	21,454	37,323	1,062,918	4,036	0.99	1,071,031	4,067	28.30	1,337.95	\$253.85	20.5%	39.2%	-13.4%
201506	21,398	37,220	1,164,775	4,842	0.99	1,176,407	4,891	28.79	1,375.98	\$251.05	19.2%	39.4%	-14.5%
201507	21,342	37,169	1,137,421	4,488	0.99	1,152,306	4,547	29.27	1,399.77	\$250.96	20.2%	38.1%	-13.0%
201508	21,210	36,937	1,169,252	4,799	0.98	1,192,538	4,895	29.78	1,444.03	\$247.48	21.7%	40.7%	-13.5%
201509	21,229	36,930	1,077,367	2,800	0.97	1,106,778	2,877	30.11	1,421.63	\$254.14	21.7%	35.1%	-9.9%
201510	21,162	36,764	1,167,887	1,783	0.96	1,212,901	1,852	30.62	1,365.03	\$269.20	22.9%	27.1%	-3.4%
201511	21,237	36,921	890,052	1,365	0.94	944,353	1,448	30.69	1,303.06	\$282.60	22.0%	18.6%	2.9%
201512	21,076	36,508	964,784	1,660	0.92	1,045,658	1,799	30.46	1,216.23	\$300.57	19.0%	5.5%	12.7%
201601	21,871	37,311	740,474	1,108	0.78	950,919	1,425	30.18	1,132.41	\$319.76	15.0%	-5.4%	21.6%
201602	22,711	38,298	264,555	648	0.28	944,735	2,308	29.67	1,078.07	\$330.25	9.6%	-12.6%	25.4%
Experience Period	256,413	446,566	13,319,807	44,592	0.98	13,604,090	45,261						
201503	21,607	37,674									21.1%	35.9%	-10.9%
201509	21,229	36,930									21.7%	35.1%	-9.9%
201512	21,076	36,508									19.0%	5.5%	12.7%
Avg last 6 months	21,209	36,872									21.2%	27.5%	-4.0%
Selected Pricing Trend												10.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Rx**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost
201304	21,193	38,080	3,899,240	30,309	1.00	3,899,240	30,309						
201305	21,193	37,963	3,930,227	30,653	1.00	3,930,227	30,653						
201306	21,060	37,755	3,725,243	28,297	1.00	3,725,243	28,297						
201307	21,055	37,782	4,132,836	29,811	1.00	4,132,836	29,811						
201308	21,353	38,228	4,070,732	28,952	1.00	4,070,732	28,952						
201309	21,182	37,860	4,028,614	28,139	1.00	4,028,614	28,139						
201310	21,207	37,864	4,347,031	29,816	1.00	4,347,031	29,816						
201311	21,254	38,041	4,016,316	27,900	1.00	4,016,316	27,900						
201312	21,331	38,279	4,509,982	30,520	1.00	4,509,982	30,520						
201401	24,902	44,057	4,033,791	32,300	1.00	4,033,791	32,300						
201402	25,080	44,387	3,915,004	30,909	1.00	3,915,004	30,909						
201403	24,931	44,090	4,502,629	34,367	1.00	4,502,629	34,367	103.53	9,156.42	\$135.68			
201404	24,785	43,924	4,603,148	34,763	1.00	4,603,148	34,763	103.73	9,156.29	\$135.95			
201405	24,805	43,935	4,797,938	35,221	1.00	4,797,938	35,221	104.24	9,156.56	\$136.61			
201406	24,716	43,873	4,903,870	33,944	1.00	4,903,870	33,944	105.34	9,180.42	\$137.70			
201407	24,316	43,152	5,058,992	34,256	1.00	5,058,992	34,256	106.07	9,188.54	\$138.52			
201408	24,062	42,822	4,539,088	32,694	1.00	4,539,088	32,694	106.03	9,193.90	\$138.39			
201409	23,690	42,199	4,496,990	33,052	1.00	4,496,990	33,052	106.04	9,231.53	\$137.85			
201410	23,274	41,506	4,921,062	33,942	1.00	4,921,062	33,942	106.41	9,262.67	\$137.86			
201411	22,980	40,925	4,402,919	31,509	1.00	4,402,919	31,509	106.57	9,295.01	\$137.58			
201412	21,579	38,192	4,593,670	33,505	1.00	4,593,670	33,505	106.75	9,366.40	\$136.76			
201501	21,542	37,787	4,440,385	31,152	1.00	4,440,385	31,152	108.87	9,455.10	\$138.18			
201502	21,542	37,690	4,050,318	28,027	1.00	4,050,318	28,027	110.60	9,512.56	\$139.52			
201503	21,607	37,674	4,596,098	30,972	1.00	4,596,098	30,972	112.23	9,553.67	\$140.97	8.4%	4.3%	3.9%
201504	21,614	37,643	4,751,362	30,180	1.00	4,751,362	30,180	113.98	9,563.95	\$143.01	9.9%	4.5%	5.2%
201505	21,454	37,323	4,453,032	29,914	1.00	4,453,032	29,914	114.83	9,563.02	\$144.09	10.2%	4.4%	5.5%
201506	21,398	37,220	4,727,913	30,233	1.00	4,727,913	30,233	116.07	9,603.28	\$145.04	10.2%	4.6%	5.3%
201507	21,342	37,169	4,830,843	30,117	1.00	4,830,843	30,117	117.06	9,619.92	\$146.03	10.4%	4.7%	5.4%
201508	21,210	36,937	4,711,308	29,366	1.00	4,711,308	29,366	118.93	9,655.99	\$147.80	12.2%	5.0%	6.8%
201509	21,229	36,930	4,659,286	29,168	1.00	4,659,286	29,168	120.65	9,665.34	\$149.80	13.8%	4.7%	8.7%
201510	21,162	36,764	5,238,522	30,487	1.00	5,238,522	30,487	122.62	9,675.01	\$152.09	15.2%	4.5%	10.3%
201511	21,237	36,921	4,680,899	29,626	1.00	4,680,899	29,626	124.34	9,711.02	\$153.64	16.7%	4.5%	11.7%
201512	21,076	36,508	5,517,401	31,742	1.00	5,517,401	31,742	126.87	9,700.26	\$156.95	18.9%	3.6%	14.8%
201601	21,871	37,311	4,809,351	30,183	1.00	4,809,351	30,183	127.84	9,684.55	\$158.40	17.4%	2.4%	14.6%
201602	22,711	38,298	5,171,481	31,458	1.00	5,171,481	31,458	130.17	9,763.54	\$159.99	17.7%	2.6%	14.7%
Experience Period	256,413	446,566	56,657,366	360,984	1.00	56,657,366	360,984						
201503	21,607	37,674									8.4%	4.3%	3.9%
201509	21,229	36,930									13.8%	4.7%	8.7%
201512	21,076	36,508									18.9%	3.6%	14.8%
Avg last 6 months	21,209	36,872									14.5%	4.5%	9.6%
Selected Pricing Trend												3.0%	9.5%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience - Medical and Rx Total**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Completion Factor	Completed	Rolling 12 PMPM	Rolling 12 Trend	Rolling 3 Trend	Paid	Rolling 12 Trend	Premium
					Allowed	Allowed	Allowed	Allowed		Paid	
201304	21,193	38,080	16,032,992	1.00	16,032,992				\$13,578,392		\$15,873,030
201305	21,193	37,963	15,567,728	1.00	15,567,728				\$13,233,221		\$15,838,587
201306	21,060	37,755	14,928,917	1.00	14,928,917				\$12,755,704		\$15,867,963
201307	21,055	37,782	16,074,884	1.00	16,074,888				\$13,771,980		\$15,980,595
201308	21,353	38,228	15,873,687	1.00	15,873,691				\$13,571,141		\$16,237,039
201309	21,182	37,860	17,295,896	1.00	17,295,950				\$15,008,937		\$16,221,250
201310	21,207	37,864	17,337,403	1.00	17,337,610				\$14,845,844		\$16,552,831
201311	21,254	38,041	15,920,644	1.00	15,920,963				\$13,726,378		\$16,801,474
201312	21,331	38,279	16,580,299	1.00	16,580,635				\$14,009,258		\$17,343,652
201401	24,902	44,057	20,733,936	1.00	20,734,604				\$16,972,919		\$19,761,209
201402	25,080	44,387	17,341,230	1.00	17,342,160				\$14,291,142		\$19,776,336
201403	24,931	44,090	19,131,303	1.00	19,132,358	427.55			\$15,861,486		\$19,750,677
201404	24,785	43,924	19,319,477	1.00	19,320,961	429.19			\$16,104,058		\$20,054,348
201405	24,805	43,935	18,504,948	1.00	18,510,032	429.97			\$15,422,038		\$20,118,525
201406	24,716	43,873	19,558,569	1.00	19,565,486	434.05		6.6%	\$16,522,444		\$19,753,531
201407	24,316	43,152	19,684,421	1.00	19,692,757	436.63		7.5%	\$16,603,881		\$19,492,789
201408	24,062	42,822	20,808,077	1.00	20,820,663	442.49		12.3%	\$17,830,955		\$19,374,189
201409	23,690	42,199	17,964,726	1.00	17,977,834	440.04		5.5%	\$14,890,541		\$19,303,690
201410	23,274	41,506	23,768,069	1.00	23,789,617	449.55		11.6%	\$20,417,348		\$19,140,869
201411	22,980	40,925	17,537,261	1.00	17,557,217	450.21		7.1%	\$14,821,768		\$18,845,246
201412	21,579	38,192	18,106,201	1.00	18,131,634	453.31		13.0%	\$14,294,729		\$18,568,105
201501	21,542	37,787	18,415,239	1.00	18,444,375	454.40		4.7%	\$14,375,269		\$18,273,819
201502	21,542	37,690	15,630,886	1.00	15,661,816	457.12		6.5%	\$12,271,506		\$18,099,724
201503	21,607	37,674	18,685,458	1.00	18,734,698	462.26	8.1%	8.2%	\$14,827,523	-6.5%	\$15,339,833
201504	21,614	37,643	18,704,681	1.00	18,784,679	467.11	8.8%	11.7%	\$15,097,481	-6.3%	\$18,180,589
201505	21,454	37,323	17,869,156	0.99	17,971,524	472.42	9.9%	14.1%	\$14,570,717	-5.5%	\$18,205,113
201506	21,398	37,220	18,961,029	0.99	19,103,298	478.07	10.1%	14.3%	\$15,571,458	-5.8%	\$18,166,233
201507	21,342	37,169	19,006,805	0.99	19,192,371	483.11	10.6%	14.2%	\$15,797,825	-4.9%	\$18,177,062
201508	21,210	36,937	17,948,951	0.99	18,211,683	483.62	9.3%	9.7%	\$14,820,299	-16.9%	\$18,197,841
201509	21,229	36,930	17,670,386	0.98	18,026,230	489.30	11.2%	9.4%	\$14,758,054	-0.9%	\$18,309,030
201510	21,162	36,764	19,491,688	0.97	20,040,637	486.14	8.1%	2.8%	\$16,463,462	-19.4%	\$18,321,499
201511	21,237	36,921	16,913,447	0.96	17,659,979	490.71	9.0%	5.8%	\$14,264,690	-3.8%	\$18,543,668
201512	21,076	36,508	18,512,812	0.94	19,592,005	495.84	9.4%	5.4%	\$15,579,548	9.0%	\$19,090,380
201601	21,871	37,311	16,001,234	0.83	19,199,722	498.06	9.6%	10.1%	\$14,022,376	-2.5%	\$19,400,207
201602	22,711	38,298	8,977,999	0.48	18,723,257	504.23	10.3%	11.6%	\$13,149,011	7.2%	\$19,715,499
Experience Period	256,413	446,566	217,810,539	0.98	221,423,295						216,904,792
201503	21,607	37,674					8.1%				
201509	21,229	36,930					11.2%				
201512	21,076	36,508					9.4%				
Avg last 6 months	21,209	36,872					9.6%				

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Absolute Maximum Premium Increase**

		Absolute Max	
		Base Rate Renewal Increase	Total Renewal Increase
BluePreferred PPO Standard Silver \$2,000	21.2%	11.2%	34.7%

  

Maximum Age Increase	Aging From	To
	Age 20	Age 21

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**DC Combined - Small Group & Individual Capitations**

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.45	\$0.36	\$0.27	-40%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0%
Wellness*	\$0.21	\$0.21	\$0.21	0%
Embedded Pediatric Vision **	\$0.27	\$0.27	\$0.27	0%
Embedded Adult Vision ***	\$0.09	\$0.09	\$0.09	0%
<b>TOTAL</b>	<b>\$1.06</b>	<b>\$0.97</b>	<b>\$0.88</b>	<b>-17%</b>

\*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

\*\*Only applies to members age 19 and under.

\*\*\*Ind64- only and only applies to members over the age of 19.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Non-Grandfathered Experience for ACA Plans**

**Existing Products Included in Experience Period**

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contracts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*
78079DC0200001	BluePreferred HSA Bronze \$3,500	78079DC0210002	BluePreferred PPO Standard Bronze \$4,500	78079DC0210002	BluePreferred PPO Standard Bronze \$5,000	On	706	8,579	\$2,663,110	\$2,825,910	\$1,658,176
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan Base	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base	On	922	10,268	\$3,387,236	\$4,297,753	\$2,817,752
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 94%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 94%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 94%	On	5	42	\$13,331	\$39,634	\$29,238
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 87%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 87%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 87%	On	7	67	\$29,863	\$18,912	\$11,929
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 73%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 73%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 73%	On	31	368	\$134,249	\$567,881	\$494,058
78079DC0160001	BlueCross BlueShield Preferred 500, A Multi-State Plan	78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	701	7,885	\$3,350,469	\$5,414,458	\$4,466,192
78079DC0210001	BluePreferred Platinum \$0	78079DC0210001	BluePreferred PPO Standard Platinum \$0	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	927	10,494	\$5,469,004	\$12,069,341	\$11,110,555
Total							3,299	37,703	\$ 15,047,262	\$ 25,233,889	\$ 20,587,900
									\$ (3,838)		

\*These amounts do not include pharmacy rebates, capitations & miscellaneous.



May 5, 2016

Mr. Efren Tanhehco  
Supervisory Health Actuary  
Department of Insurance, Securities and Banking



Re: Group Hospitalization and Medical Services, Inc. Individual, Non-Medigap Rate Filing Cover Letter

Mr. Tanhehco,

In accordance with DISB requirements this letter has been submitted as cover for our 2017 ACA plan rate filing submitted 5/2/2016. Please note the required information below:

- a. **Company Name:** Group Hospitalization and Medical Services, Inc. (GHMSI)
- b. **NAIC Company Code:** 53007
- c. **Unique Company Filing Number:** 2112
- d. **Date Submitted:** 5/2/2016
- e. **Proposed Effective Date:** 1/1/2017
- f. **Type of Product:** PPO – On Exchange
- g. **Individual or Group:** Individual, Non-Medigap
- h. **Scope and Purpose of Filing:** This filing has been submitted to propose the rate actions listed below in section k for all non-grandfathered ACA compliant plans offered by GHMSI.
- i. **Indication Whether Initial Filing or Change:** This filing proposes a change to existing rates (from our previous SERFF Filing #CFAP-130059240).
- j. **Indication if no DC Policyholders:** This filing proposes rate actions to our plans sold in DC. DC policyholders of GHMSI ACA plans will be impacted.
- k. **Overall Premium Impact of Filing on DC Policyholders:** Proposed average rate increase for 2017 is 0.0%.
- l. **Contact Information:**
  - a. Name: Brad Boban, A.S.A., M.A.A.A.
  - b. Telephone Number: 410-998-6230
  - c. Email: [Brad.Boban@Carefirst.com](mailto:Brad.Boban@Carefirst.com)
  - d. Fax: 410-505-2192

For further detail and support for the rate actions proposed above please reference the Actuarial Memorandum submitted on 5/2/2016.

Sincerely,

*Brad Boban, A.S.A., M.A.A.A.*

Brad Boban, A.S.A., M.A.A.A.  
Assistant Actuary



Product-Plan Data Collection

Company Legal Name:  
HIOS Issuer ID:  
Effective Date of Rate Change(s):

GHMSI, Inc.  
78079  
1/1/2017

State: DC  
Market: Individual

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product	BluePreferred 78079DC021			
Product ID:				
Metal:	Bronze	Silver	Gold	
AV Metal Value	0.620	0.717	0.819	
AV Pricing Value	0.657	0.800	1.036	
Plan Category	Renewing	Renewing	Renewing	
Plan Type:	PPO	PPO	PPO	
Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	
Plan ID (Standard Component ID):	78079DC0210002	78079DC0210004	78079DC0210003	
Exchange Plan?	Yes	Yes	Yes	
Historical Rate Increase - Calendar Year - 2	0.00%			
Historical Rate Increase - Calendar Year - 1	4.58%			
Historical Rate Increase - Calendar Year 0	0.37%			
Effective Date of Proposed Rates	1/1/2017	1/1/2017	1/1/2017	
Rate Change % (over prior filing)	6.77%	15.53%	-8.92%	
Cumulative Rate Change % (over 12 mos prior)	6.77%	15.53%	-8.92%	
Proj'd Per Rate Change % (over Expir. Period)	6.67%	-1.37%	0.92%	
Product Rate Increase %	0.00%			

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

Plan ID (Standard Component ID):	Total	78079DC0210002	78079DC0210004	78079DC0210003
Inpatient	-\$2.67	\$1.15	\$5.07	-\$8.97
Outpatient	\$2.16	\$5.30	\$10.78	-\$4.34
Professional	-\$0.34	\$5.55	\$13.55	-\$11.22
Prescription Drug	\$8.00	\$10.23	\$17.47	\$1.41
Other	\$2.10	\$2.58	\$4.33	\$0.56
Capitation	-\$0.21	-\$0.10	-\$0.07	-\$0.34
Administration	-\$1.15	\$0.04	\$4.58	-\$11.26
Taxes & Fees	-\$1.91	-\$0.61	\$0.20	-\$3.75
Risk & Profit Charge	-\$6.77	-\$4.87	-\$5.25	-\$8.63
Total Rate Increase	-\$4.79	\$19.47	\$50.66	-\$48.51
Member Cost Share Increase	\$4.10	\$6.42	\$4.95	\$2.52

Average Current Rate PMPM	\$421.88	\$291.72	\$328.31	\$539.28
Projected Member Months	62,048	8,996	23,971	29,081

Section III: Experience Period Information

Plan ID (Standard Component ID):	Total	78079DC0210002	78079DC0210004	78079DC0210003
Plan Adjusted Index Rate	\$412.92	\$291.72	\$384.24	\$486.27
Member Months	37,703	8,579	10,245	18,879
Total Premium (TP)	\$15,568,481	\$2,502,666	\$4,128,659	\$8,937,156
EHB Percent of TP, [see instructions]	99.56%	99.56%	99.56%	99.56%
State mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.44%	0.44%	0.44%	0.44%
Total Allowed Claims (TAC)	\$25,233,889	\$2,825,910	\$4,924,180	\$17,483,799
EHB Percent of TAC, [see instructions]	99.56%	99.56%	99.56%	99.56%
State mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.44%	0.44%	0.44%	0.44%
Allowed Claims which are not the issuer's obligation:	\$10,619,197	\$592,088	\$1,871,046	\$8,156,062
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$27,756	\$0	\$27,756	\$0
Portion of above payable by HHS on behalf of insured person, as %	0.26%	0.00%	1.48%	0.00%
Total Incurred claims, payable with issuer funds	\$14,614,693	\$2,233,822	\$3,053,134	\$9,327,737
Net Amt of Reim	\$2,102,041.42	\$163,877.53	\$226,305.21	\$1,711,858.69
Net Amt of Risk Adj	\$3,729,779.72	-\$771,694.30	\$33,244.33	\$4,468,229.70
Incurred Claims PMPM	\$387.63	\$260.38	\$284.14	\$507.52
Allowed Claims PMPM	\$669.28	\$329.40	\$458.28	\$951.25
EHB portion of Allowed Claims, PMPM	\$666.34	\$327.95	\$456.27	\$947.12

Section IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	78079DC0210002	78079DC0210004	78079DC0210003
Plan Adjusted Index Rate	\$421.53	\$311.19	\$378.87	\$480.75
Member Months	62,048	8,996	23,971	29,081
Total Premium (TP)	\$26,155,256	\$2,799,465	\$9,084,290	\$14,271,501
EHB Percent of TP, [see instructions]	99.30%	99.13%	99.24%	99.37%
State mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.70%	0.87%	0.76%	0.63%
Total Allowed Claims (TAC)	\$34,430,943	\$4,969,766	\$13,307,190	\$16,123,987
EHB Percent of TAC, [see instructions]	99.28%	99.13%	99.24%	99.37%
State mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.72%	0.87%	0.76%	0.63%

Allowed Claims which are not the issuer's obligation	\$13,219,320	\$2,729,405	\$5,939,973	\$4,549,942
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$88,116	\$0	\$88,116	\$0
Portion of above payable by HHS on behalf of insured person, as %	0.67%	0.00%	1.48%	0.00%
Total incurred claims, payable with issuer funds	\$21,211,623	\$2,270,361	\$7,367,217	\$11,574,045
Net Amt of Rein	\$0	\$0	\$0	\$0
Net Amt of Risk Adj	\$3,455,199	\$369,823	\$1,200,059	\$1,885,317

## Rate Filing Justification Part II (Plain Language Summary)

Pursuant to 45 CFR 154.215, health insurance issuers are required to file Rate Filing Justifications. Part II of the Rate Filing Justification for rate increases and new submissions must contain a written description that includes a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. The Part II template below must be filled out and uploaded as an Adobe PDF file under the Consumer Disclosure Form section of the Supporting Documentation tab.

Name of Company      Group Hospitalization & Medical Services, Inc.

SERFF tracking number   CFAP-130549415

Submission Date      5/2/2017

Product Name      BluePreferred

Market Type      ☒ Individual      ☐ Small Group

Rate Filing Type      ☒ Rate Increase      ☐ New Filing

### Scope and Range of the Increase:

The 0.0 % increase is requested because:

The main drivers of the 2017 rate increase are 1) cessation of transitional reinsurance, 2) an increase in expected risk adjustment transfer receipts, 3) the 2017 moratorium for the health insurer fee and 5) trend of 8.3%.

This filing will impact:

# of policyholder's   3,734

# of covered lives   5,788

The average, minimum and maximum rate changes increases are:

- Average Rate Change: The average premium change, by percentage, across all policy holders if the filing is approved 0.0 %
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved -17.1%
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 21.2 %

Individuals within the group may vary from the aggregate of the above increase components as a result of:

Product selection, changes in age factors, and changes in family composition.

### Financial Experience of Product

The overall financial experience of the product includes:

In 2015, a total of \$20.6 million in claims paid out for an average of 3,300 members. However, the rate increase of the product is driven by the combined Individual and Small group experience, which paid out \$194.1 million in claims to an average of 36,508 members.

The rate increase will affect the projected financial experience of the product by:

The proposed rate increases are aimed to bring the loss ratio for the combined Individual/small group pool down to a projected 78.9%.

### **Components of Increase**

The request is made up of the following components:

*Trend Increases* – 8.3 % of the 0.0 % total filed increase

1. Medical Utilization Changes – Defined as the increase in total plan claim costs not attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts. Examples include changes in the mix of services utilized, or an increase/decrease in the frequency of service utilization.

This component is 3.2 % of the 0.0 % total filed increase.

2. Medical Price Changes – Defined as the increase in total plan claim costs attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts.

This component is 4.9 % of the 0.0 % total filed increase.

*Other Increases* – -7.6 % of the 0.0 % total filed increase

1. Medical Benefit Changes Required by Law – Defined as any new mandated plan benefit changes, as mandated by either State or Federal Regulation.

This component is 0.0 % of the 0.0 % total filed increase.

2. Medical Benefit Changes Not Required by Law – Defined as changes in plan benefit design made by the company, which are not required by either State or Federal Regulation.

This component is 0.0 % of the 0.0 % total filed increase.

3. Changes to Administration Costs – Defined as increases in the costs of providing insurance coverage. Examples include claims payment expenses, distribution costs, taxes, and general business expenses such as rent, salaries, and overhead.

This component is -1.2 % of the 0.0 % total filed increase.

4. Changes to Profit Margin – Defined as increases to company surplus or changes as an additional margin to cover the risk of the company.

This component is -3.3 % of the 0.0 % total filed increase.

5. Other – Defined as:

End of federal reinsurance program, and higher than anticipated risk adjustment receipts.

This component is -5.7 % of the 0.0 % total filed increase.

**State:** District of Columbia**Filing Company:**

Group Hospitalization and Medical Services, Inc.

**TOI/Sub-TOI:** H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)**Product Name:** BluePreferred - ON-EXCHANGE**Project Name/Number:** DC GHMSI IND64- ACA ON-EXCHANGE /2112

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
04/27/2016		Supporting Document	Actuarial Memorandum	05/05/2016	2017 ACA_Actl Memo_CD_DC_GH - 5-2-2016.pdf 2112_DC_PPO - Exchange (Q1 2017) - Actuarial Memorandum.pdf (Superceded)
04/27/2016		Supporting Document	Actuarial Memorandum and Certifications	05/05/2016	2017 ACA_Actl Memo_CD_DC_GH - 5-2-2016.pdf 2112_DC_PPO - Exchange (Q1 2017) - Actuarial Memorandum.pdf (Superceded)
04/27/2016		Supporting Document	Cover Letter All Filings	05/05/2016	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**Rate Filing # 2112**

**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**

**Actuarial Memorandum**



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Table of Contents**

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
GHMSI Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
GHMSI Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support For Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Plan Level Derivations	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Age Calibration Factor	30
<b>Appendix</b>	31
Rating Methodology	32
Reserving Methodology	33
DC Age Rating Factors	34
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	35 - 40
Capitations Summary	41
Summary of Existing ACA HIOS Data	42

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Actuarial Certification**

I, Brad Boban, am a Pricing Actuary with GHMSI doing business as CareFirst BlueChoice. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
  - a. a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
  - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs.
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

*Brad Boban, A.S.A., M.A.A.A.*

---

Brad Boban, ASA, MAAA  
Assistant Actuary  
CareFirst BlueCross BlueShield  
Mail Drop-Point 01-780  
10455 Mill Run Circle  
Owings Mills, MD 21117-5559

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Form Numbers**

**Form Numbers Associated With This ACA Filing:**

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<b>BluePreferred PPO Standard Plans</b>
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DC/CF/EXC/BP/IEA (R. 1/17)  
DC/CF/BP/EXC/DOCS (1/17)  
DC/CF/EXC/BP STD/BRZ 5000 (1/17)  
DC/CF/EXC/BP STD/GOLD 500 (1/17)  
DC/CF/EXC/BP STD/NATAMER SOB (1/17)  
DC/CF/EXC/BP STD/SIL 2000 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 73 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 87 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 94 (1/17)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 1/16)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 1/15  
DC/CF/PT PROTECT (9/10)

Group Hospitalization & Medical Services, Inc. (GHMSI)  
d.b.a. CareFirst BlueCross BlueShield  
(NAIC # 53007)  
DC Individual Exchange Products  
Rates Effective 1/1/2017  
HIOS Product IDs

ACA Products Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
78079DC021	BluePreferred	78079DC0210002	01	BluePreferred PPO Standard Bronze \$5,000	On	PPO	Yes	62.0%	Bronze	No	839
78079DC021	BluePreferred	78079DC0210004	01	BluePreferred PPO Standard Silver \$2,000 Base	On	PPO	Yes	71.7%	Silver	No	2,177
78079DC021	BluePreferred	78079DC0210004	04	BluePreferred PPO Standard Silver \$2,000 73%	On	PPO	Yes	73.0%	Silver	No	59
78079DC021	BluePreferred	78079DC0210003	01	BluePreferred PPO Standard Gold \$500	On	PPO	Yes	81.9%	Gold	No	2,713
Total											5,788

2017 Plan Mapping:

2016		2017	
HIOS Plan ID	Plan Name	HIOS Plan ID	Plan Name
78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base
78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500
78079DC0210001	BluePreferred PPO Standard Platinum \$0		

In 2017 all Non-Standard plans will be uniformly modified into the Standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

<b>Acronym</b>	<b>Definition</b>
GHMSI	Group Hospitalization and Medical Services, Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non- Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Arrangement
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia GHMSI RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING									
		Projected Members 12/31/17					Consumer		Consumer		
	2016	2017	PUBLIC	PRIVATE		HHS	Adj.	HHS	Adj.		
	Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	AV	Rate	AV	Rate	
							2016	1/1/16	2017	1/1/17	Δ
1											
2											
3	<u>Bronze Plans</u>										
4	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
5	Subtotal:		839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
6											
7	<u>Silver Plans</u>										
8	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
9	BluePreferred PPO Standard Silver \$2,000		2,236	0	2,236	39%	0.704	\$338	0.717	\$334	-1.3%
10	Silver Subtotal		2,236	0	2,236	39%	0.696	\$289	0.717	\$334	15.5%
11											
12	<u>Gold Plans</u>										
13	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	47%	0.816	\$428	0.819	\$432	1.0%
14	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
15	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
16	Subtotal:		2,713	0	2,713	47%	0.862	\$474	0.819	\$432	-8.9%
17											
18	<u>Platinum Plans</u>										
19	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	n/a	n/a	n/a
20	Subtotal:		0	0	0	0%	0.912	\$521	0.000	\$0	0.0%
21	TOTAL:		5,788	0	5,788	100%	0.000	\$371	0.000	\$371	0.0%
22			100%	0%							
23	GHMSI		5,788	0	5,788		0.762	\$371	0.751	\$371	0.0%
24											
25	PPO/HMO Ratio:										
26	LOW RENEWAL (Minimum):										-17.0%
27	HIGH RENEWAL (Maximum):										21.2%

CareFirst, Inc. (CFI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia CFI RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11
		RATE FILING				Consumer		Consumer		
		Projected Members 12/31/17				HHS	Adj.	HHS	Adj.	
2016	2017	PUBLIC	PRIVATE	TOTAL	%	AV	Rate	AV	Rate	Δ
Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH			2016	1/1/16	2017	1/1/17	
BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%
<b>Bronze Plans</b>										
BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
<b>Subtotal:</b>		<b>4,013</b>	<b>0</b>	<b>4,013</b>	<b>27%</b>	<b>0.613</b>	<b>\$180</b>	<b>0.620</b>	<b>\$245</b>	<b>36.4%</b>
<b>Silver Plans</b>										
BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
BluePreferred Standard Silver \$2000		2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
<b>Subtotal:</b>		<b>4,804</b>	<b>0</b>	<b>4,804</b>	<b>32%</b>	<b>0.700</b>	<b>\$268</b>	<b>0.717</b>	<b>\$310</b>	<b>15.6%</b>
<b>Gold Plans</b>										
BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
<b>Subtotal:</b>		<b>5,414</b>	<b>0</b>	<b>5,414</b>	<b>36%</b>	<b>0.851</b>	<b>\$435</b>	<b>0.819</b>	<b>\$405</b>	<b>-6.9%</b>
<b>Platinum Plans</b>										
BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a
BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a
<b>Subtotal:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0.912</b>	<b>\$492</b>	<b>0.000</b>	<b>\$0</b>	<b>n/a</b>
<b>TOTAL:</b>		<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100%</b>	<b>0.000</b>	<b>\$297</b>	<b>0.000</b>	<b>\$317</b>	<b>6.9%</b>
		<b>100%</b>	<b>0%</b>							
BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
<b>Subtotal:</b>		<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100%</b>	<b>0.727</b>	<b>\$297</b>	<b>0.723</b>	<b>\$317</b>	<b>6.9%</b>
<b>PPO/HMO Ratio:</b>							<b>1.48</b>		<b>1.31</b>	
LOW RENEWAL (Minimum):										<b>-17.0%</b>
HIGH RENEWAL (Maximum):										<b>65.3%</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**  
**Rate History**

				Consumer Adjusted Rates			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	\$ 237.79	\$ 251.65	\$ 256.57	\$ 273.93
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000	\$ 301.42	\$ 298.74	\$ 275.27	\$ 333.60
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	\$ 337.94	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	\$ 375.61	\$ 402.51	\$ 425.58	\$ 432.00
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	\$ 427.68	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		\$ 469.18	\$ 503.13	\$ 520.65	
				Renewals			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000		5.8%	2.0%	6.8%
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000		-0.9%	-7.9%	21.2%
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	-1.3%	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500		7.2%	5.7%	1.5%
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	1.0%	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		7.2%	3.5%	-17.0%	

\*Inception, except for the PPO Standard Silver \$2,000 and PPO Standard Gold \$500, both of which were new for 2016.

\*\*In 2017, we are uniformly modifying all members/plans into a single plan per metal level. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -17.0%  
Max 21.2%



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**BluePreferred Projected Morbidity**

2017 Change in Morbidity Projection					
	2015 Actual SRP*		2017 Projected		
	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ
<b>Metal</b>					
Bronze	\$288	707	\$299	855	
Silver	\$469	965	\$441	2,585	
Gold	\$668	701	\$866	2,560	
Platinum	\$1,079	927			
<b>Ind Under 65 Single Risk Pool</b>	\$666	3,300	\$602	6,000	0.904
<b>Small Group Single Risk Pool</b>	\$484	33,175	\$484	33,679	1.000
<b>Combined Single Risk Pool</b>	<b>\$496</b>	<b>36,475</b>	<b>\$502</b>	<b>39,679</b>	<b>1.013</b>

\*Excludes Rx rebates and capitations.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017  
GHMSI D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (MERGED)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	pd through 2/29/2016
Experience Period Summary	Total				
Experience Period Premiums	\$	215,112,455			
MLR Rebates	\$	-			
Net Experience Period Premiums	\$	215,112,455			
Experience Period Paid Claims (Non-Capitated)	\$	190,859,339			
Completion Factor		0.98			
Experience Period Incurred Claims (Non-Capitated)	\$	194,074,820			
Capitations	\$	473,767			
Rx Rebates	\$	(12,581,018)			
Other Manual Claims	\$	-			
Total Experience Period Claims	\$	181,967,569			
Experience Period Loss Ratio (Before MLR Rebates)		84.59%			
Experience Period Loss Ratio (After MLR Rebates)		84.59%			
Experience Period Loss Ratio (System Claims Only)		90.22%			
Experience Period Member Months		446,566			
Average Members		37,214			
End of Experience Period Contracts		21,076			
End of Experience Period Members		36,508			
Experience Period Allowed Claims (Non-Capitated)	\$	221,423,295			
Adjustments	\$	(12,107,251)			
Total Adjusted EP Allowed Claims	\$	209,316,044			
EP Paid / Allowed Ratio		86.9%			

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,204	\$ 35,895,163	\$ -	\$ -	\$ 35,895,163
Outpatient	Visits	34,045	\$ 45,751,169	\$ -	\$ -	\$ 45,751,169
Professional	Visits	409,761	\$ 69,515,507	\$ -	\$ -	\$ 69,515,507
Other	Services	45,261	\$ 13,604,090	\$ -	\$ -	\$ 13,604,090
Rx	Scripts	360,984	\$ 56,657,366	\$ -	\$ (12,581,018)	\$ 44,076,349
Capitation	Average Members	37,214	\$ 473,767	\$ -	\$ -	\$ 473,767
Total			\$ 221,897,062	\$ -	\$ (12,581,018)	\$ 209,316,045
PMPM			\$ 496.90	\$ -	\$ (28.17)	\$ 468.72
				Non-EHB Claims In Experience PMPM **		\$ 2.19
				EP Index Rate for EHB		\$ 466.53

Annual Trend Inputs	
Cost Trend	Utilization Trend
0.0%	1.0%
9.0%	3.5%
2.0%	3.0%
0.0%	10.0%
9.5%	3.0%
0.0%	0.0%

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected		PMPM	Effective Allowed PMPM
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost		
Inpatient	Admits	59.23	\$ 16,283.93	\$ 80.38	1.013	1.013	1.000	1.020	1.05	61.21	\$ 16,494.95	\$ 84.14	1.0%
Outpatient	Visits	914.86	\$ 1,343.83	\$ 102.45	1.013	1.013	1.188	1.071	1.31	992.76	\$ 1,617.30	\$ 133.80	12.8%
Professional	Visits	11,010.99	\$ 169.65	\$ 155.67	1.013	1.013	1.040	1.061	1.13	11,833.42	\$ 178.79	\$ 176.31	5.1%
Other	Services	1,216.23	\$ 300.57	\$ 30.46	1.013	1.013	1.000	1.210	1.24	1,490.77	\$ 304.47	\$ 37.82	10.0%
Rx	Scripts	9,700.26	\$ 122.10	\$ 98.70	1.013	0.947	1.199	1.061	1.22	10,424.79	\$ 138.64	\$ 120.44	12.8%
Capitation	Benefit Period	1,000.00	\$ 12.73	\$ 1.06	1.000	0.830	1.000	1.000	0.83	1,000.00	\$ 10.57	\$ 0.88	0.0%
Total				\$ 468.72								\$ 553.39	8.0%
												Projected Allowed Claims PMPM (EHB + Non-EHB)	
												Non-EHB Claims In Projected PMPM*	\$ 2.43
												Index Rate for EHB	\$ 550.96

\* Includes abortion claims and capitation for embedded adult vision benefit.

\*\* Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC GHMSI

		1	2	3	4	5	6	7	8	9	10	11	12	13
		2016 FILING						2017 FILING						
								EXPERIENCE PERIOD		PROJECTED			vs 2016	
GHMSI - DC		Allowed		Cost	Utilization	Claims		Allowed		Cost	Utilization	Claims		
		Claims	%	Trend	Trend	Trend		Claims	%	Trend	Trend	Trend*	Δ	
1	Inpatient	Hospital	\$40,005,763	17%	8.0%	1.0%	9.1%	\$35,895,163	16%	0.0%	1.0%	1.0%	-8.1%	
2	Outpatient	Hospital	\$47,122,116	21%	3.5%	3.5%	7.1%	\$45,751,169	21%	9.0%	3.5%	12.8%	5.7%	
3	Professional		\$74,124,676	32%	3.5%	1.5%	5.1%	\$69,515,507	31%	2.0%	3.0%	5.1%	0.0%	
4	Other	Non-Capitated Ambulance	\$13,002,211	6%	4.0%	2.0%	6.1%	\$13,604,090	6%	0.0%	10.0%	10.0%	3.9%	
5		Home Health												
6		DME												
7		Prosthetics												
8		Supplies												
9		Vision Exams												
10		Dental Services												
11		Other Services												
12	Medical	Subtotal (Clms-Wgtd):	\$174,254,765	76%	4.6%	2.0%	6.6%	\$164,765,929	74%	3.3%	3.3%	6.7%	0.1%	
13														
14	Rx	Claims-Weighted	\$54,658,099	24%	13.0%	0.0%	13.0%	\$56,657,366	26%	9.5%	3.0%	12.8%	-0.2%	
15	Total	Claims Weighted	\$228,912,864	100%	6.6%	1.5%	8.2%	\$221,423,295	100%	4.9%	3.2%	8.3%	0.1%	
16														
17	Weighted Total DC (BC & GHMSI)											8.2%		

\* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Projected Risk Adjustment**

**2015**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	8,602	23%	0.907	1.240	-\$768,069	-\$89.29
Silver	10,786	29%	1.408	1.127	\$28,720	\$2.66
Gold	7,873	21%	1.719	1.066	\$388,067	\$49.29
Platinum	10,572	28%	3.197	1.043	\$4,063,933	\$384.39
Total	37,834	100%	1.859	1.117	\$3,712,652	\$98.13
Statewide						
	167,010	\$324.59	1.309	1.082		

**2016**

**Existing**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	7,500	15%	1.033	1.259	-\$527,783	-\$70.37
Silver	17,628	35%	1.528	1.185	\$253,768	\$14.40
Gold	11,904	24%	1.705	1.075	\$543,202	\$45.63
Platinum	12,828	26%	3.764	1.081	\$6,982,823	\$544.34
Total	49,860	100%	2.071	1.143	\$7,252,010	\$145.45

**New**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	2,076	13%	0.907	0.999	-\$74,780	-\$36.02
Silver	7,884	49%	1.408	1.080	\$131,829	\$16.72
Gold	3,288	20%	1.719	0.952	\$304,902	\$92.73
Platinum	2,940	18%	3.197	1.093	\$1,142,059	\$388.46
Total	16,188	100%	1.732	1.046	\$1,504,010	\$92.91

**All**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	9,576	14%	1.006	1.202	-\$602,564	-\$62.92
Silver	25,512	39%	1.491	1.153	\$385,598	\$15.11
Gold	15,192	23%	1.708	1.049	\$848,104	\$55.83
Platinum	15,768	24%	3.658	1.083	\$8,124,882	\$515.28
Total	66,048	100%	1.988	1.119	\$8,756,020	\$132.57

State Average Premium	\$345.65
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**2017**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	10,008	14%	0.987	1.164	-\$625,174	-\$62.47
Silver	30,358	43%	1.468	1.132	\$551,655	\$18.17
Gold	16,530	24%	1.710	1.028	\$1,178,885	\$71.32
Platinum	13,403	19%	3.332	1.075	\$6,682,343	\$498.58
Total	70,298	100%	1.812	1.101	\$7,787,710	\$110.78

State Average Premium	\$365.56
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Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Summary of Risk Adjustment\***

		(1)	(2)	(3) = (2) x 0.50 Proposed Risk Adjustment PMPM Applied to Projected Index Rate	(4) Risk Adjustment User Fee PMPM**	(5) Paid to Allowed Ratio	(6) = 1 + (((3)/(5))+(4)))/(1) Proposed Value for Rate Filing
		Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)				
<b>GHMSI</b>	2017	\$ 550.96	(\$110.78)	\$ (55.39)	\$ 0.13	0.717	0.8599

\* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

\*\* Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual**

	1	2	3	4
		<b>Ind 64-</b>		
		<b>DC GHMSI</b>		
		Projected		
		2017		
	<b>TRADITIONAL LOSS RATIO</b>	<b>PMPM</b>	<b>%</b>	<b>\$s</b>
1	Allowed Claims & Captns (EHB Only)	Medical \$	430.52	
2		RX \$	120.44	
3		<b>TOTAL \$</b>	<b>550.96</b>	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	433.09	
6		RX \$	120.44	
7		<b>TOTAL \$</b>	<b>553.53</b>	
8				
9	Projected EMMs		62,048	
10	Average Members		5,171	
11				
12	Paid/Allowed Ratio		71.7%	
13	Paid Claims & Captns	\$	396.61	
14				
15	<b>"3Rs"</b>			
16	Risk Corridor		n/a	
17	Risk Adjustment/Transfer (Paid Claims Basis)	\$	(55.39)	
18	Reinsurance Recoveries (State & Federal)	\$	-	
19	(Individual Only, Paid Claims Basis)			
20	<b>Subtotal:</b>	<b>\$</b>	<b>(55.39)</b>	
21	Paid Claims & Captns (Post-3Rs)	<b>\$</b>	<b>341.22</b>	<b>81.1%</b>
22	Administrative Expense	<b>\$</b>	<b>57.78</b>	<b>13.7%</b>
23	Broker Commissions & Fee	<b>\$</b>	<b>3.62</b>	<b>0.9%</b>
24	Contribution to Reserve (CtR) - Post-FIT	<b>\$</b>	<b>-</b>	<b>0.0%</b>
25	Investment Income Credit	<b>\$</b>	<b>(0.00)</b>	<b>0.0%</b>
26				<b>(25)</b>
27	<b>Non-ACA Taxes &amp; Fees</b>			
28	State Premium Tax	\$	8.42	2.0%
29	State Assessment Fees	\$	0.18	0.0%
30	State Income Tax (SIT)	\$	-	0.0%
31	Federal Income Tax (FIT)	\$	-	0.0%
32				
33	<b>ACA Taxes &amp; Fees</b>			
34	Health Insurer Fee	\$	-	0.0%
37	Risk Adjustment User Fee	<b>\$</b>	<b>0.13</b>	<b>0.0%</b>
38	Exchange Assessment Fee	<b>\$</b>	<b>4.21</b>	<b>1.0%</b>
39	Exchange User Fees (FFEs Only)	<b>\$</b>	<b>-</b>	<b>0.0%</b>
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	<b>\$</b>	<b>0.20</b>	<b>0.0%</b>
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	<b>\$</b>	<b>5.00</b>	<b>1.2%</b>
43				
44	Other	\$	-	0.0%
45	<b>TOTAL</b>	<b>\$</b>	<b>420.75</b>	<b>100.0%</b>
46				
47	Contribution to Reserve (CtR) - Pre-FIT			<b>0.0%</b>
48				
49	<b>FHCR MEDICAL LOSS RATIO</b>			
50	Risk Adjustment	<b>\$</b>	<b>(55.39)</b>	<b>\$</b>
51	Reinsurance Receipts	<b>\$</b>	<b>-</b>	<b>\$</b>
52	BlueRewards/Incentive Program-Medical Debit Cards	<b>\$</b>	<b>-</b>	<b>\$</b>
53	Quality Improvement Expenses (net after MLR reclass from care)	<b>\$</b>	<b>4.95</b>	<b>\$</b>
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	<b>\$</b>	<b>(3.78)</b>	<b>\$</b>
55	<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(54.22)</b>	<b>\$</b>
56				
57	Non-ACA: Taxes & Regulatory Fees	State Premium Tax \$	8.42	\$
58		State Assmt Fee \$	0.18	\$
59		State Income Tax \$	-	\$
60		Federal Income Tax \$	-	\$
61				
62	ACA: Taxes & Regulatory Fees	Health Insurer Fee \$	-	\$
63		Reinsurance Contribution \$	-	\$
64		Reinsurance Admin. Fee \$	-	\$
65		Risk Adj User Fees \$	0.13	\$
66		Exchange Assessment Fee \$	4.21	\$
67		Exchange User Fee \$	-	\$
68		PCORI \$	0.20	\$
69	<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>13.13</b>	<b>\$</b>
70				
71	FHCR Claims	\$	342.39	\$
72	FHCR MLR Premium	\$	407.62	\$
73	<b>FHCR Loss Ratio</b>		<b>84.0%</b>	

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Small Group**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	SG DC GHMSI Projected 1Q17			SG DC GHMSI Projected 2Q17			SG DC GHMSI Projected 3Q17			SG DC GHMSI Projected 4Q17			SG DC GHMSI Projected 2017			2017
			%	\$		%	\$		%	\$		%	\$		%	\$
<b>TRADITIONAL LOSS RATIO</b>																
Allowed Claims & Captns (EHB Only)	Medical	\$ 430.52		\$ 437.88			\$ 445.41			\$ 453.13			\$ 445.25			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 550.96</b>		<b>\$ 561.99</b>			<b>\$ 573.31</b>			<b>\$ 584.94</b>			<b>\$ 573.09</b>			
Allowed Claims & Captns (EHB & Non-EHB)	Medical	\$ 432.82		\$ 440.21			\$ 447.79			\$ 455.55			\$ 447.63			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 553.26</b>		<b>\$ 564.33</b>			<b>\$ 575.69</b>			<b>\$ 587.36</b>			<b>\$ 575.47</b>			
Projected EMMs		91,572		29,976			75,504			197,724			394,776			
Average Members		7,631		2,498			6,292			16,477			32,898			
%		23%		8%			19%			50%			100%			
Paid/Allowed Ratio		85.8%		85.8%			85.8%			85.8%			85.8%			
Paid Claims & Captns		\$ 474.65		\$ 484.00			\$ 493.88			\$ 503.89			\$ 493.68			
"3Bs"																
Risk Corridor		n/a		n/a			n/a			n/a			n/a			
Risk Adjustment/Transfer (Paid Claims Basis)		\$ (38.14)		\$ (38.14)			\$ (38.14)			\$ (38.14)			\$ (38.14)			
Reinsurance Recoveries (State & Federal)		\$ -		\$ -			\$ -			\$ -			\$ -			
(Individual Only, Paid Claims Basis)		\$ -		\$ -			\$ -			\$ -			\$ -			
<b>Subtotal:</b>		<b>\$ (38.14)</b>		<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			
Paid Claims & Captns (Post-3Rs)		\$ 436.51	79.4%	\$ 39,971,936	\$ 445.86	78.9%	\$ 13,365,116	\$ 455.74	78.7%	\$ 34,410,111	\$ 465.75	78.3%	\$ 92,089,769	\$ 455.54	78.6%	\$ 179,836,932
Administrative Expense		\$ 49.46	9.0%	\$ 4,529,369	\$ 49.46	8.8%	\$ 1,482,684	\$ 49.46	8.5%	\$ 3,734,607	\$ 49.46	8.3%	\$ 9,779,889	\$ 49.46	8.5%	\$ 19,526,560
Broker Commissions & Fee		\$ 23.21	4.2%	\$ 2,124,949	\$ 23.21	4.1%	\$ 695,600	\$ 23.21	4.0%	\$ 1,752,088	\$ 23.21	3.9%	\$ 4,588,231	\$ 23.21	4.0%	\$ 9,160,868
Contribution to Reserve (CR) - Post-FIT		\$ 12.10	2.2%	\$ 1,107,639	\$ 12.42	2.2%	\$ 372,449	\$ 12.74	2.2%	\$ 962,111	\$ 13.09	2.2%	\$ 2,588,565	\$ 12.74	2.2%	\$ 5,030,764
Investment Income Credit		\$ (0.00)	0.0%	\$ (49)	\$ (0.00)	0.0%	\$ (16)	\$ (0.00)	0.0%	\$ (43)	\$ (0.00)	0.0%	\$ (115)	\$ (0.00)	0.0%	\$ (223)
<b>Non-ACA Taxes &amp; Fees</b>																
State Premium Tax		\$ 11.00	2.0%	\$ 1,006,944	\$ 11.30	2.0%	\$ 338,590	\$ 11.58	2.0%	\$ 874,646	\$ 11.90	2.0%	\$ 2,353,241	\$ 11.58	2.0%	\$ 4,573,422
State Assessment Fees		\$ 0.63	0.1%	\$ 57,886	\$ 0.65	0.1%	\$ 19,464	\$ 0.67	0.1%	\$ 50,280	\$ 0.68	0.1%	\$ 135,280	\$ 0.67	0.1%	\$ 262,911
State Income Tax (SIT)		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Federal Income Tax (FIT)		\$ 3.30	0.6%	\$ 302,083	\$ 3.39	0.6%	\$ 101,577	\$ 3.48	0.6%	\$ 262,394	\$ 3.57	0.6%	\$ 705,972	\$ 3.48	0.6%	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>																
Health Insurer Fee		\$ 0.37	0.1%	\$ 33,706	\$ 0.37	0.1%	\$ 152,553	\$ 0.37	0.1%	\$ 663,982	\$ 0.37	0.1%	\$ 2,711,716	\$ 0.37	0.1%	\$ 5,561,956
Reinsurance Contribution		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Reinsurance Administrative Fee		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Risk Adjustment User Fee		\$ 0.13	0.0%	\$ 11,904	\$ 0.13	0.0%	\$ 3,897	\$ 0.13	0.0%	\$ 9,816	\$ 0.13	0.0%	\$ 25,704	\$ 0.13	0.0%	\$ 51,321
Exchange Assessment Fee		\$ 5.50	1.0%	\$ 503,472	\$ 5.65	1.0%	\$ 169,295	\$ 5.79	1.0%	\$ 437,323	\$ 5.95	1.0%	\$ 1,176,620	\$ 5.79	1.0%	\$ 2,286,711
Exchange User Fees (FEs) Only		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax		\$ 0.20	0.0%	\$ 17,911	\$ 0.20	0.0%	\$ 5,863	\$ 0.20	0.0%	\$ 14,768	\$ 0.20	0.0%	\$ 40,052	\$ 0.20	0.0%	\$ 78,593
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42	1.3%	\$ 679,464	\$ 7.42	1.3%	\$ 222,422	\$ 7.42	1.3%	\$ 560,240	\$ 7.42	1.2%	\$ 1,467,112	\$ 7.42	1.3%	\$ 2,929,238
Other		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
<b>TOTAL</b>		<b>\$ 549.81</b>	<b>100.0%</b>	<b>\$ 50,347,214</b>	<b>\$ 564.77</b>	<b>100.0%</b>	<b>\$ 16,929,494</b>	<b>\$ 579.21</b>	<b>100.0%</b>	<b>\$ 43,732,323</b>	<b>\$ 595.08</b>	<b>100.0%</b>	<b>\$ 117,662,047</b>	<b>\$ 579.24</b>	<b>100.0%</b>	<b>\$ 228,671,078</b>
Contribution to Reserve (CLR) - Pre-FIT			2.8%			2.8%			2.8%			2.8%			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>																
Risk Adjustment		\$ (38.14)		\$ (3,492,590)	\$ (38.14)		\$ (1,143,296)	\$ (38.14)		\$ (2,879,751)	\$ (38.14)		\$ (7,541,267)	\$ (38.14)		\$ (15,056,904)
Reinsurance Receipts (Individual Only)		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42		\$ 679,464	\$ 7.42		\$ 222,422	\$ 7.42		\$ 560,240	\$ 7.42		\$ 1,467,112	\$ 7.42		\$ 2,929,238
Quality Improvement Expenses		\$ 4.82		\$ 441,769	\$ 4.82		\$ 144,612	\$ 4.82		\$ 364,252	\$ 4.82		\$ 953,875	\$ 4.82		\$ 1,904,508
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)		\$ 7.29		\$ 667,537	\$ 7.29		\$ 218,517	\$ 7.29		\$ 550,405	\$ 7.29		\$ 1,441,358	\$ 7.29		\$ 2,877,817
<b>Numerator (Claims) Adjustment</b>		<b>\$ (18.61)</b>		<b>\$ (1,703,821)</b>	<b>\$ (18.61)</b>		<b>\$ (557,744)</b>	<b>\$ (18.61)</b>		<b>\$ (1,404,854)</b>	<b>\$ (18.61)</b>		<b>\$ (3,678,922)</b>	<b>\$ (18.61)</b>		<b>\$ (7,345,340)</b>
Non-ACA: Taxes & Regulatory Fees																
State Premium Tax		\$ 11.00		\$ 1,006,944	\$ 11.30		\$ 338,590	\$ 11.58		\$ 874,646	\$ 11.90		\$ 2,353,241	\$ 11.58		\$ 4,573,422
State Asmt Fee		\$ 0.63		\$ 57,886	\$ 0.65		\$ 19,464	\$ 0.67		\$ 50,280	\$ 0.68		\$ 135,280	\$ 0.67		\$ 262,911
State Income Tax		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Federal Income Tax		\$ 3.30		\$ 302,083	\$ 3.39		\$ 101,577	\$ 3.48		\$ 262,394	\$ 3.57		\$ 705,972	\$ 3.48		\$ 1,372,026
ACA: Taxes & Regulatory Fees																
Health Insurer Fee		\$ 0.37		\$ 33,706	\$ 0.37		\$ 152,553	\$ 0.37		\$ 663,982	\$ 0.37		\$ 2,711,716	\$ 0.37		\$ 5,561,956
Reinsurance Contribution		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Reinsurance Admin. Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Risk Adj. User Fees		\$ 0.13		\$ 11,904	\$ 0.13		\$ 3,897	\$ 0.13		\$ 9,816	\$ 0.13		\$ 25,704	\$ 0.13		\$ 51,321
Exchange Assessment Fee		\$ 5.50		\$ 503,472	\$ 5.65		\$ 169,295	\$ 5.79		\$ 437,323	\$ 5.95		\$ 1,176,620	\$ 5.79		\$ 2,286,711
Exchange User Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
PCORI		\$ 0.20		\$ 17,911	\$ 0.20		\$ 5,863	\$ 0.20		\$ 14,768	\$ 0.20		\$ 40,052	\$ 0.20		\$ 78,593
<b>Denominator (Premium) Adjustment</b>		<b>\$ 21.12</b>		<b>\$ 1,933,906</b>	<b>\$ 26.40</b>		<b>\$ 791,239</b>	<b>\$ 30.64</b>		<b>\$ 2,313,209</b>	<b>\$ 36.15</b>		<b>\$ 7,148,585</b>	<b>\$ 30.87</b>		<b>\$ 12,186,940</b>
FHCR Claims		\$ 456.04		\$ 41,760,705	\$ 465.39		\$ 13,950,668	\$ 475.27		\$ 35,885,008	\$ 485.28		\$ 95,952,114	\$ 475.08		\$ 187,548,495
FHCR MLR Premium		\$ 528.69		\$ 48,413,308	\$ 538.37		\$ 16,138,255	\$ 548.57		\$ 41,419,114	\$ 558.93		\$ 110,513,461	\$ 548.37		\$ 216,484,138
<b>FHCR Loss Ratio</b>		<b>86.3%</b>			<b>86.4%</b>			<b>86.6%</b>			<b>86.8%</b>			<b>86.6%</b>		

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual and Small Group Combined**

	1	2	3	4
		<b>SG &amp; Ind DC GHMSI Projected 2017 PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical \$	443.25		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>570.08</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	445.65		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>572.49</b>		
Projected EMMs		456,824		
Average Members		38,069		
Paid/Allowed Ratio		83.9%		
Paid Claims & Captns	\$	480.50		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(40.48)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(40.48)</b>		
Paid Claims & Captns (Post-3Rs)	\$	<b>440.01</b>	<b>78.9%</b>	<b>\$ 201,009,137</b>
Administrative Expense	\$	<b>50.59</b>	9.1%	\$ 23,111,758
Broker Commissions & Fee	\$	<b>20.54</b>	3.7%	\$ 9,385,231
Contribution to Reserve (CTR) - Post-FIT	\$	<b>11.01</b>	<b>2.0%</b>	\$ 5,030,764
Investment Income Credit	\$	(0.00)	<b>0.0%</b>	\$ (248)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	11.15	<b>2.0%</b>	\$ 5,095,556
State Assessment Fees	\$	0.60	<b>0.1%</b>	\$ 274,232
State Income Tax (SIT)	\$	-	<b>0.0%</b>	\$ -
Federal Income Tax (FIT)	\$	3.00	<b>0.5%</b>	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	7.80	<b>1.4%</b>	\$ 3,561,956
<b>Reinsurance Contribution</b>	\$	-	<b>0.0%</b>	\$ -
<b>Reinsurance Administrative Fee</b>	\$	-	<b>0.0%</b>	\$ -
Risk Adjustment User Fee	\$	<b>0.13</b>	<b>0.0%</b>	\$ 59,387
<b>Exchange Assessment Fee</b>	\$	5.58	<b>1.0%</b>	\$ 2,547,778
<b>Exchange User Fees (FFEs Only)</b>	\$	-	<b>0.0%</b>	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	<b>0.20</b>	<b>0.0%</b>	\$ 90,729
BlueRewards/Incentive Program-Medical Debit Cards	\$	<b>7.09</b>	1.3%	\$ 3,239,478
Other	\$	-	<b>0.0%</b>	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>557.72</b>	<b>100.0%</b>	<b>\$ 254,777,783</b>
Contribution to Reserve (CTR) - Pre-FIT			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(40.48)	\$	(18,493,766)
Reinsurance Receipts (Individual Only)	\$	-	\$	-
BlueRewards/Incentive Program-Medical Debit Cards	\$	6.41	\$	2,929,238
Quality Improvement Expenses	\$	4.84	\$	2,211,545
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	5.79	\$	2,643,142
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(23.44)</b>	<b>\$</b>	<b>(10,709,841)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	11.15	\$	5,095,556
State Assmt Fee	\$	0.60	\$	274,232
State Income Tax	\$	-	\$	-
Federal Income Tax	\$	3.00	\$	1,372,026
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	7.80	\$	3,561,956
Reinsurance Contribution	\$	\$0.00	\$	-
Reinsurance Admin. Fee	\$	\$0.00	\$	-
Risk Adj User Fees	\$	0.13	\$	59,387
Exchange Assessment Fee	\$	5.58	\$	2,547,778
Exchange User Fee	\$	-	\$	-
PCORI	\$	0.20	\$	90,729
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>28.46</b>	<b>\$</b>	<b>13,001,664</b>
FHCR Claims	\$	457.05	\$	208,793,062
FHCR MLR Premium	\$	529.25	\$	241,776,119
<b>FHCR Loss Ratio</b>		<b>86.4%</b>		



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
IND64- DC GHMSI PLAN LEVEL DERIVATIONS

	1	2	3	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22					
		ON-	OFF-	TOTAL		PROJ INDEX	Market-Level Adjustments (MLA)				Mkt-Adj INDEX	Plan-Level Adjustments (PLA)								Plan-Adj INDEX	Normalization/Calibration				Consumer Adjusted				
		Exchange 2017 Projected EMMs	Exchange 2017 Projected EMMs	2017 Projected EMMs	%	RATE (Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	RATE (Post- MLA)	CF Pricing Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	RATE (Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	PREMIUM RATES 2017		
1		Benefit Plan																											
2		Bronze Plans																											
3		BluePreferred PPO Standard Bronze \$5,000	8,996	0	8,996	14%	\$551	1.000	0.860	1.000	0.860	\$474	0.578	1.006	0.908	0.528	1.000	1.009	1.000	1.233	0.657	\$311	62.0%	0.880	1.000	1.000	0.880	\$274	
4		Subtotal:	8,996	0	8,996	14%	\$551	1.000	0.860	1.000	0.860	\$474	0.578	1.006	0.908	0.528	1.000	1.009	1.000	1.233	0.657	\$311	62.0%	0.880	1.000	1.000	0.880	\$274	
5		Silver Plans																											
6		BluePreferred PPO Standard Silver \$2,000	23,971	0	23,971	39%	\$551	1.000	0.860	1.000	0.860	\$474	0.685	1.006	0.935	0.644	1.000	1.008	1.000	1.233	0.800	\$379	71.7%	0.880	1.000	1.000	0.880	\$334	
7		Subtotal:	23,971	0	23,971	39%	\$551	1.000	0.860	1.000	0.860	\$474	0.685	1.006	0.935	0.644	1.000	1.008	1.000	1.233	0.800	\$379	71.7%	0.880	1.000	1.000	0.880	\$334	
8		Gold Plans																											
9		BluePreferred PPO Standard Gold \$500	29,081	0	29,081	47%	\$551	1.000	0.860	1.000	0.860	\$474	0.846	1.006	0.980	0.835	1.000	1.006	1.000	1.233	1.036	\$491	81.9%	0.880	1.000	1.000	0.880	\$432	
10		Subtotal:	29,081	0	29,081	47%	\$551	1.000	0.860	1.000	0.860	\$474	0.846	1.006	0.980	0.835	1.000	1.006	1.000	1.233	1.036	\$491	81.9%	0.880	1.000	1.000	0.880	\$432	
11		TOTAL:	62,048	0	62,048	100%	\$551	1.000	0.860	1.000	0.860	\$474	0.745	1.006	0.952	0.717	1.000	1.007	1.000	1.233	0.890	\$422	75.1%	0.880	1.000	1.000	0.880	\$371	
12		Average:	5,171	0	5,171																								
13		Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A./Non-H.S.A., Benefit Generosity/Induced Demand.																											
14		Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."																											
15		Network = HMO Open Access and PPO/RPN.																											

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined**

		Item Calculation
2015 AV	83.34%	(1)
2015 Induced Demand Factor	1.103	(2)
2017 AV	83.29%	(3)
2017 Induced Demand Factor	1.103	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	0.0%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Calculation of Other Projection Factors**

<b>Ind&lt;65</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.940	0.952
Capitation	1.000	0.830	1.000	0.830

<b>Small Group</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.934	0.946
Capitation	1.000	0.830	1.000	0.830

<b>Combined</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.935	0.947
Capitation	1.000	0.830	1.000	0.830

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for "Other" adjustment factors**

**1. Factors to adjust for capitation schedule changes**

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.06	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	<u>(\$0.18)</u>	(2)	
Projection Period Capitation PMPM	\$0.88	(3)	
<b>Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)</b>			
	<b>-17.0%</b>		<b>(4) = [(3) / (1)] - 1</b>

**2. Rx Rebates Adjustment**

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

**Ind64-**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$173.15	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Ind64- Only)</b>	<b>-6.0%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

**Small Group**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$122.60	(1)	
Experience Period Rx Rebates PMPM	(\$29.28)	(2)	
Projection Period Rx Rebates PMPM	(\$35.43)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Small Group Only)</b>	<b>-6.6%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

<b>Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)</b>	<b>-6.5%</b>
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**3. Demographic Factor Derivation (see page 19 for details)**

<b>Demographic Impact (Blended Across Single Risk Pool)</b>	<b>1.3%</b>
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Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**

**Demographic Factor Derivation**

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	Change
Totals	42,781	72,534.40		43,323	74,405.20	
Average Age Factor		1.695			1.717	1.3%
Average Age		42.4			42.6	20.2%
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	9858	0.750	7,393.50	9531	0.750	7,148.25
21	326	1.000	325.83	305	1.000	305.33
22	491	1.016	498.75	420	1.016	427.11
23	650	1.048	681.28	607	1.048	636.72
24	792	1.065	842.92	706	1.065	751.90
25	948	1.081	1,024.27	869	1.081	939.44
26	1210	1.113	1,346.43	1182	1.113	1,315.82
27	1078	1.129	1,217.10	1076	1.129	1,214.84
28	1063	1.145	1,217.31	1112	1.145	1,273.42
29	1083	1.177	1,275.15	1134	1.177	1,335.19
30	1004	1.194	1,198.32	1126	1.194	1,343.94
31	1024	1.226	1,255.23	1065	1.226	1,305.48
32	1013	1.242	1,258.08	1053	1.242	1,307.76
33	910	1.274	1,159.52	1035	1.274	1,318.79
34	862	1.290	1,112.26	941	1.290	1,214.19
35	901	1.323	1,191.65	889	1.323	1,175.77
36	824	1.339	1,103.10	911	1.339	1,219.56
37	802	1.371	1,099.52	851	1.371	1,166.69
38	753	1.403	1,056.63	826	1.403	1,159.06
39	741	1.419	1,051.74	783	1.419	1,111.35
40	716	1.452	1,039.35	757	1.452	1,098.87
41	671	1.548	1,038.97	678	1.548	1,049.81
42	702	1.629	1,143.58	690	1.629	1,124.03
43	676	1.694	1,144.84	715	1.694	1,210.89
44	706	1.774	1,252.58	707	1.774	1,254.35
45	724	1.855	1,342.90	711	1.855	1,318.79
46	734	1.952	1,432.48	718	1.952	1,401.26
47	660	2.032	1,341.29	727	2.032	1,477.45
48	637	2.129	1,356.19	653	2.129	1,390.26
49	654	2.226	1,455.68	633	2.226	1,408.94
50	587	2.323	1,363.35	622	2.323	1,444.65
51	630	2.468	1,554.68	592	2.468	1,460.90
52	618	2.597	1,604.81	652	2.597	1,693.10
53	660	2.710	1,788.39	593	2.710	1,606.84
54	621	2.823	1,752.82	630	2.823	1,778.23
55	561	2.968	1,664.90	612	2.968	1,816.26
56	535	3.097	1,656.77	564	3.097	1,746.58
57	541	3.258	1,762.61	546	3.258	1,778.90
58	497	3.387	1,683.39	545	3.387	1,845.97
59	503	3.565	1,792.95	512	3.565	1,825.03
60	502	3.710	1,862.26	532	3.710	1,973.55
61	456	3.871	1,765.16	495	3.871	1,916.13
62	454	4.065	1,845.29	484	4.065	1,967.23
63	464	4.258	1,975.74	449	4.258	1,911.87
64 and Over	1940	4.435	8,604.84	2082	4.435	9,234.68
	<b>42,781</b>		<b>72,534.40</b>	<b>43,323</b>		<b>74,405.20</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined**

**Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)**

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM
GHMSI	1,099,726	550,798	<b>\$2.00</b>

	Projected PMPM
1Q17	\$2.34
2Q17	\$2.39
3Q17	\$2.44
4Q17	\$2.48

**Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)**

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group
\$1.16	90%	\$1.04	<b>\$0.09</b>

	Projected PMPM
1Q17	\$0.09
2Q17	\$0.09
3Q17	\$0.09
4Q17	\$0.09

	Projection Period Non-EHB
1Q17	<b>\$2.43</b>
2Q17	<b>\$2.48</b>
3Q17	<b>\$2.53</b>
4Q17	<b>\$2.57</b>

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
Estimate of non-EHB in Experience and Projection Periods

Abortion:

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected Allowed	Projected 2017 Member Months (On-Exchange)	Projected PMPM
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
<b>SUM:</b>	<b>\$263,533</b>	<b>185,889</b>	<b>\$1.42</b>	<b>\$245,398</b>	<b>160,801</b>	<b>\$1.53</b>

Core Vision

	% Membership	Experience Period Capitation	Future Capitation PMPM
		\$0.10	\$1.22
% pediatric members	1%	\$0.00 EHB portion of capitation	\$0.02
% non-pediatric	99%	\$0.10 non-EHB portion of capitation	\$1.04

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI - Abortion Cost Test > \$1.00**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	Overall
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 3.10	\$ 2.55	\$ 1.96	\$ <b>2.35</b>
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	
Risk Adjustment	0.860	0.860	0.860	
Exchange User Fees	1.000	1.000	1.000	
<b>Index Rate - Post Market Level Adj.</b>	<b>\$2.67</b>	<b>\$2.19</b>	<b>\$1.69</b>	\$ <b>2.03</b>
Cost-Share Factor	0.528	0.644	0.835	0.811
Network & UM	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.000	1.000	1.000	<b>1.000</b>
Catastrophic Adj	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.233	1.233	1.233	<b>1.233</b>
<b>Index Rate - Plan Level</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>
Pricing AV	65.1%	79.4%	102.9%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
Lowest Age Factor >= \$1.00	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	
HSA/Non-HSA Factor	1.01	1.01	1.01	<b>1.01</b>
Benefit Generosity Factor	0.91	0.93	0.98	<b>0.95</b>
Allowed non-EHB	\$2.57	\$2.57	\$2.57	<b>\$2.57</b>
<b>2016 Index Rate - Plan Level</b>	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>2016 Base Premium</b>	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI Plan Level Rate Derivation - On Exchange**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	<b>Overall</b>
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 550.96	\$ 550.96	\$ 550.96	\$ <b>550.96</b>
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	<b>1.000</b>
Risk Adjustment	0.860	0.860	0.860	<b>0.860</b>
Exchange User Fees	1.000	1.000	1.000	<b>1.000</b>
<b>Index Rate - Post Market Level Adj.</b>	<b>\$473.78</b>	<b>\$473.78</b>	<b>\$473.78</b>	\$ <b>473.78</b>
Cost-Share Factor	0.528	0.644	0.835	<b>0.717</b>
Network & UM	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.009	1.008	1.006	<b>1.007</b>
Catastrophic Adj	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.233	1.233	1.233	<b>1.233</b>
<b>Index Rate - Plan Level</b>	<b>\$311.19</b>	<b>\$378.97</b>	<b>\$490.75</b>	<b>\$421.53</b>
Pricing AV	65.7%	80.0%	103.6%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$273.93</b>	<b>\$333.60</b>	<b>\$432.00</b>	<b>\$371.07</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
<b>2016 Index Rate - Plan Level</b>	\$ 291.72	\$ 328.31	\$ 539.28	\$ 421.88
<b>% Change</b>	<b>6.7%</b>	<b>15.4%</b>	<b>-9.0%</b>	<b>-0.1%</b>
<b>2016 Base Premium</b>	\$ 256.57	\$ 288.75	\$ 474.30	\$ 371.05
<b>% Change</b>	<b>6.8%</b>	<b>15.5%</b>	<b>-8.9%</b>	<b>0.0%</b>

<b>Non-EHB</b>			
Core Vision (Adult)	\$1.04	\$1.04	\$1.04
Abortion	\$3.10	\$2.55	\$1.96

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members
16,832	1,832	15,000
On Exchange	100%	15,000

\*Stonegate study used to project % purchasing by metal level

Metal Level	% purchased	Members Purchased
Catastrophic	5%	769
Bronze	27%	4,013
Silver	32%	4,804
Gold	36%	5,414
Total	100%	15,000

% by FPL Estimate	
<150%	0.0%
151%-200%	0.0%
201%-250%	1.1%
251%+	98.9%
Total	100.0%

			Distribution of Non-GF Membership													
			January 60%	February 10%	March 10%	April 10%	May 3.0%	June 1.0%	July 1.0%	August 1.0%	September 1.0%	October 1.0%	November 1.0%	December 1.0%		
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244	
<b>Bronze Plans</b>	<b>4,013</b>															
BluePreferred PPO Standard Bronze \$5,000	21%	839	6042	923	839	755	201	59	50	42	34	25	17	8	8,996	
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024	
<b>Silver Plans</b>	<b>4,804</b>															
BlueChoice HMO Standard Silver \$2000	51%	2,464	17741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414	
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340	
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631	
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Gold Plans</b>	<b>5,414</b>															
BlueChoice HMO Standard Gold \$500	50%	2,701	19449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957	
BluePreferred PPO Standard Gold \$500	50%	2,713	19532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081	
BluePreferred Subtotal	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048	Member Months
BlueChoice Subtotal	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753	Member Months
Grand Total	100.0%	15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801	Member Months

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Pricing AV**

Projected EMMs (PPO)	Plan Name	AV w/ Federal model (Different allowed per metal)	AV from internal Model (Fixed allowed per metal)	AV from internal Model All Silver at Base	Induced Utilization (Adj. allowed per fed Model)	Induced Utilization Scaled	HSA vs Non- HSA (Adj for HSA behavior)	HSA vs Non- HSA Scaled
8,996	BluePreferred PPO Standard Bronze \$5,000	62.0%	57.8%	57.8%	1.00	0.91	1.006	1.006
23,340	BluePreferred PPO Standard Silver \$2,000	71.7%	68.5%	68.5%	1.03	0.93	1.006	1.006
631	CSR 200-250%	73.0%	70.8%	68.5%	1.03	0.93	1.006	1.006
29,081	BluePreferred PPO Standard Gold \$500	81.9%	84.6%	84.6%	1.08	0.98	1.006	1.006
<b>62,048</b>		<b>75.1%</b>	<b>74.5%</b>	<b>74.5%</b>	<b>1.05</b>	<b>0.95</b>	<b>1.006</b>	<b>1.006</b>
<b>Silver Average</b>			<b>68.5%</b>			0.93		1.01
Fed Ave subsidy on Silver			0.1%					
			68.5%					

Internal AV model was developed using 2015 claims data.

Support for the normalization of factors can be found on page 29.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for Normalization Across Individual (Ind) and Small Group (SG)**

<b>Metal Level</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Platinum</b>	SG & Ind	1.150	214,896	1.044
<b>Gold</b>	SG & Ind	1.080	145,505	0.980
<b>Silver</b>	SG & Ind	1.030	86,796	0.935
<b>Silver CSR</b>	Ind	1.030	631	0.935
<b>Bronze</b>	SG & Ind	1.000	8,996	0.908
		1.102	456,824	1.000

  

<b>HSA/HRA</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Other</b>	SG	0.960	58,284	0.960
	SG & Ind		398,540	1.006
			456,824	1.000

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Age Factor Calibration**

Member Age	Member Count	Members * Age Factor	Age Rate
0-20	673	440	\$ 317.27
21	26	19	\$ 352.69
22	40	29	\$ 352.69
23	39	28	\$ 352.69
24	37	27	\$ 352.69
25	49	36	\$ 352.69
26	93	68	\$ 352.69
27	192	140	\$ 352.69
28	185	138	\$ 360.94
29	194	147	\$ 368.70
30	166	129	\$ 377.91
31	161	129	\$ 387.62
32	187	153	\$ 396.35
33	163	136	\$ 405.57
34	151	129	\$ 415.27
35	135	118	\$ 424.97
36	151	135	\$ 434.67
37	160	147	\$ 444.38
38	142	132	\$ 449.71
39	125	117	\$ 455.05
40	124	121	\$ 473.00
41	99	100	\$ 491.43
42	110	116	\$ 510.84
43	103	113	\$ 530.73
44	95	108	\$ 551.59
45	93	110	\$ 572.94
46	92	113	\$ 595.25
47	109	139	\$ 618.54
48	105	139	\$ 642.79
49	87	120	\$ 668.02
50	89	127	\$ 694.22
51	82	122	\$ 721.39
52	101	156	\$ 749.52
53	89	143	\$ 778.63
54	85	142	\$ 809.19
55	95	165	\$ 840.73
56	78	140	\$ 873.72
57	87	163	\$ 907.67
58	85	165	\$ 943.09
59	86	174	\$ 979.96
60	98	206	\$ 1,018.28
61	81	177	\$ 1,058.06
62	103	225	\$ 1,058.06
63	69	150	\$ 1,058.06
64+	197	430	\$ 1,058.06
<b>Grand Total</b>	<b>5,511</b>	<b>6,259</b>	

**Avg Age Factor:** 1.136 = 6,259/5,511

**\$ 550.96**

**Interpolated Age:** (based on DC Age Curve) **43.97** **Closest Age:** (as an Integer, based on DC Age Curve) **44.0**

**Avg Age Factor:** 1.136 **DC Factor** (matching above integer) 1.137  
**1/1.136 = 0.880** **Calibration Factor:** 1/1.137 = 0.880

Value of calibration factor  
- adjustment to DC Factor  
-0.1%  
= 0.880/0.880 - 1

# Appendix

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Rating Methodology**

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factors will be multiplied together to get the composite member factor.

Once each member's composite factor is computed, they are added together to get the total factor for the policy. Each family member is included in the calculation, except for families that have four or more children 20 years of younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Reserve Calculation Methodology**

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**2017 DC Age Rating Factors**

Age Band	Age Factor	Age Factor % Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Inpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Admits	Allowed	Admits/1 000	Unit Cost	Allowed	Admits/1000	Unit Cost
201304	21,193	38,080	2,706,146	158	1.00	2,706,146	158						
201305	21,193	37,963	2,328,360	182	1.00	2,328,360	182						
201306	21,060	37,755	2,621,955	183	1.00	2,621,955	183						
201307	21,055	37,782	2,467,150	183	1.00	2,467,151	183						
201308	21,353	38,228	2,531,449	182	1.00	2,531,450	182						
201309	21,182	37,860	4,240,017	166	1.00	4,240,034	166						
201310	21,207	37,864	2,806,086	163	1.00	2,806,131	163						
201311	21,254	38,041	2,919,765	182	1.00	2,919,843	182						
201312	21,331	38,279	2,854,604	183	1.00	2,854,683	183						
201401	24,902	44,057	5,284,759	242	1.00	5,284,972	242						
201402	25,080	44,387	3,061,450	223	1.00	3,061,667	223						
201403	24,931	44,090	3,129,745	234	1.00	3,129,990	234	77.90	57.70	\$16,199.64			
201404	24,785	43,924	3,482,980	224	1.00	3,483,296	224	78.57	58.65	\$16,075.08			
201405	24,805	43,935	2,515,112	204	1.00	2,515,966	204	77.99	58.47	\$16,004.50			
201406	24,716	43,873	3,541,957	214	1.00	3,543,615	214	78.89	58.50	\$16,181.12			
201407	24,316	43,152	3,125,059	199	1.00	3,126,897	199	79.36	58.26	\$16,346.26			
201408	24,062	42,822	5,181,493	198	1.00	5,185,635	198	83.92	58.11	\$17,328.84			
201409	23,690	42,199	2,518,516	180	1.00	2,520,958	180	79.81	57.95	\$16,525.84			
201410	23,274	41,506	3,974,070	200	1.00	3,978,486	200	81.54	58.41	\$16,750.17			
201411	22,980	40,925	2,746,742	170	1.00	2,750,780	170	80.75	57.81	\$16,761.38			
201412	21,579	38,192	2,412,514	188	1.00	2,417,050	188	79.91	57.95	\$16,548.57			
201501	21,542	37,787	3,051,955	165	1.00	3,058,941	165	76.51	56.85	\$16,149.90			
201502	21,542	37,690	2,169,380	170	1.00	2,175,110	170	75.76	56.35	\$16,133.93			
201503	21,607	37,674	3,286,825	226	1.00	3,298,592	227	77.09	56.90	\$16,255.76	-1.0%	-1.4%	0.3%
201504	21,614	37,643	2,871,128	184	0.99	2,887,588	185	76.86	56.68	\$16,272.15	-2.2%	-3.4%	1.2%
201505	21,454	37,323	3,169,873	189	0.99	3,194,026	190	79.32	57.12	\$16,665.36	1.7%	-2.3%	4.1%
201506	21,398	37,220	3,518,275	176	0.99	3,553,332	178	80.46	57.00	\$16,938.61	2.0%	-2.6%	4.7%
201507	21,342	37,169	3,425,587	201	0.99	3,470,365	204	82.22	57.84	\$17,056.91	3.6%	-0.7%	4.3%
201508	21,210	36,937	3,058,978	185	0.98	3,119,754	189	78.80	58.33	\$16,209.44	-6.1%	0.4%	-6.5%
201509	21,229	36,930	2,982,819	169	0.97	3,064,581	174	80.89	58.83	\$16,499.42	1.4%	1.5%	-0.2%
201510	21,162	36,764	3,055,234	186	0.96	3,172,910	193	79.96	59.26	\$16,190.92	-1.9%	1.5%	-3.3%
201511	21,237	36,921	1,986,932	139	0.94	2,108,233	147	79.24	59.18	\$16,067.03	-1.9%	2.4%	-4.1%
201512	21,076	36,508	2,577,822	168	0.92	2,791,730	182	80.38	59.23	\$16,283.93	0.6%	2.2%	-1.6%
201601	21,871	37,311	2,092,577	154	0.78	2,692,072	198	79.64	60.19	\$15,879.60	4.1%	5.9%	-1.7%
201602	22,711	38,298	384,657	32	0.28	1,393,274	116	77.79	58.63	\$15,920.89	2.7%	4.0%	-1.3%
Experience Period													
Period		256,413	446,566	35,154,806	2,158	0.98	35,895,163	2,204					
201503		21,607	37,674								-1.0%	-1.4%	0.3%
201509		21,229	36,930								1.4%	1.5%	-0.2%
201512		21,076	36,508								0.6%	2.2%	-1.6%
Avg last 6 months		21,209	36,872								-0.7%	1.2%	-1.9%
Selected Pricing Trend												1.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Outpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	21,193	38,080	3,124,547	2,675	1.00	3,124,547	2,675						
201305	21,193	37,963	3,196,739	2,705	1.00	3,196,739	2,705						
201306	21,060	37,755	2,952,037	2,541	1.00	2,952,037	2,541						
201307	21,055	37,782	3,352,561	2,681	1.00	3,352,562	2,681						
201308	21,353	38,228	3,087,963	2,707	1.00	3,087,965	2,707						
201309	21,182	37,860	2,918,120	2,561	1.00	2,918,132	2,561						
201310	21,207	37,864	3,368,061	2,803	1.00	3,368,114	2,803						
201311	21,254	38,041	2,980,658	2,499	1.00	2,980,738	2,499						
201312	21,331	38,279	3,066,125	2,745	1.00	3,066,211	2,745						
201401	24,902	44,057	3,631,473	3,220	1.00	3,631,611	3,220						
201402	25,080	44,387	3,541,154	2,970	1.00	3,541,389	2,970						
201403	24,931	44,090	4,133,029	3,156	1.00	4,133,319	3,156	82.96	841.43	\$1,183.07			
201404	24,785	43,924	3,761,331	3,258	1.00	3,761,719	3,258	83.27	845.77	\$1,181.51			
201405	24,805	43,935	3,664,390	3,160	1.00	3,665,771	3,161	83.22	846.64	\$1,179.47			
201406	24,716	43,873	3,782,931	3,151	1.00	3,784,718	3,152	83.87	851.03	\$1,182.66			
201407	24,316	43,152	4,131,300	3,204	1.00	4,133,627	3,206	84.54	854.50	\$1,187.18			
201408	24,062	42,822	4,019,387	3,027	1.00	4,022,413	3,029	85.62	854.38	\$1,202.62			
201409	23,690	42,199	3,677,139	3,204	1.00	3,680,697	3,207	86.40	862.37	\$1,202.22			
201410	23,274	41,506	4,504,989	3,368	1.00	4,510,129	3,372	88.02	869.59	\$1,214.61			
201411	22,980	40,925	3,909,356	2,895	1.00	3,915,330	2,899	89.34	874.07	\$1,226.60			
201412	21,579	38,192	4,201,120	2,950	1.00	4,209,143	2,956	91.59	879.14	\$1,250.14			
201501	21,542	37,787	4,014,544	2,855	1.00	4,022,647	2,861	93.49	881.50	\$1,272.71			
201502	21,542	37,690	3,258,294	2,473	1.00	3,267,034	2,480	94.20	881.54	\$1,282.24			
201503	21,607	37,674	3,871,159	2,909	1.00	3,884,583	2,919	94.92	887.23	\$1,283.76	14.4%	5.4%	8.5%
201504	21,614	37,643	3,844,032	2,738	0.99	3,866,070	2,754	96.35	886.24	\$1,304.65	15.7%	4.8%	10.4%
201505	21,454	37,323	3,659,514	2,685	0.99	3,687,453	2,705	97.72	887.05	\$1,321.99	17.4%	4.8%	12.1%
201506	21,398	37,220	3,707,901	2,796	0.99	3,745,006	2,824	99.01	891.19	\$1,333.20	18.0%	4.7%	12.7%
201507	21,342	37,169	3,589,807	2,848	0.99	3,636,810	2,885	99.21	894.36	\$1,331.21	17.4%	4.7%	12.1%
201508	21,210	36,937	3,571,519	2,797	0.98	3,642,212	2,852	99.66	901.15	\$1,327.03	16.4%	5.5%	10.3%
201509	21,229	36,930	3,441,562	2,725	0.97	3,535,624	2,799	100.49	900.84	\$1,338.58	16.3%	4.5%	11.3%
201510	21,162	36,764	3,903,134	2,770	0.96	4,053,445	2,877	100.53	897.14	\$1,344.68	14.2%	3.2%	10.7%
201511	21,237	36,921	3,831,600	2,802	0.94	4,065,368	2,973	101.76	907.13	\$1,346.18	13.9%	3.8%	9.7%
201512	21,076	36,508	4,013,620	2,877	0.92	4,344,916	3,116	102.45	914.86	\$1,343.83	11.9%	4.1%	7.5%
201601	21,871	37,311	3,561,668	2,563	0.78	4,577,771	3,295	103.80	927.50	\$1,343.02	11.0%	5.2%	5.5%
201602	22,711	38,298	878,827	938	0.28	3,119,677	3,323	103.33	948.91	\$1,306.77	9.7%	7.6%	1.9%
Experience													
Period	256,413	446,566	44,706,687	33,275	0.98	45,751,169	34,045						
201503	21,607	37,674									14.4%	5.4%	8.5%
201509	21,229	36,930									16.3%	4.5%	11.3%
201512	21,076	36,508									11.9%	4.1%	7.5%
Avg last 6 months	21,209	36,872									15.0%	4.3%	10.3%
Selected Pricing Trend												3.5%	9.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Professional**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	21,193	38,080	5,520,794	34,554	1.00	5,520,794	34,554						
201305	21,193	37,963	5,388,719	33,999	1.00	5,388,719	33,999						
201306	21,060	37,755	4,958,844	30,922	1.00	4,958,844	30,922						
201307	21,055	37,782	5,262,810	32,865	1.00	5,262,812	32,865						
201308	21,353	38,228	5,215,064	32,386	1.00	5,215,067	32,386						
201309	21,182	37,860	5,243,720	31,924	1.00	5,243,741	31,924						
201310	21,207	37,864	5,875,607	37,231	1.00	5,875,701	37,232						
201311	21,254	38,041	5,155,049	32,676	1.00	5,155,187	32,677						
201312	21,331	38,279	5,182,613	31,902	1.00	5,182,758	31,903						
201401	24,902	44,057	6,850,811	39,547	1.00	6,851,089	39,549						
201402	25,080	44,387	5,907,566	35,171	1.00	5,907,976	35,173						
201403	24,931	44,090	6,161,660	37,366	1.00	6,162,090	37,369	140.66	10,385.27	\$162.52			
201404	24,785	43,924	6,409,920	39,255	1.00	6,410,566	39,259	140.80	10,376.45	\$162.83			
201405	24,805	43,935	6,341,589	38,630	1.00	6,344,006	38,645	141.03	10,363.66	\$163.30			
201406	24,716	43,873	6,194,808	37,835	1.00	6,197,750	37,853	141.80	10,403.81	\$163.55			
201407	24,316	43,152	6,273,528	37,905	1.00	6,277,088	37,927	142.30	10,413.60	\$163.98			
201408	24,062	42,822	5,938,489	35,377	1.00	5,943,066	35,404	142.45	10,390.46	\$164.52			
201409	23,690	42,199	6,158,931	38,179	1.00	6,164,972	38,217	143.05	10,450.52	\$164.26			
201410	23,274	41,506	9,245,787	42,905	1.00	9,256,505	42,954	148.65	10,510.50	\$169.72			
201411	22,980	40,925	5,442,429	34,095	1.00	5,450,749	34,147	148.39	10,485.81	\$169.82			
201412	21,579	38,192	5,703,942	35,042	1.00	5,714,559	35,107	149.46	10,562.53	\$169.80			
201501	21,542	37,787	5,816,350	33,890	1.00	5,828,167	33,959	149.29	10,560.86	\$169.63			
201502	21,542	37,690	5,003,704	29,892	1.00	5,017,078	29,972	149.50	10,577.47	\$169.61			
201503	21,607	37,674	5,804,754	33,806	1.00	5,824,901	33,923	150.76	10,631.18	\$170.18	7.2%	2.4%	4.7%
201504	21,614	37,643	5,920,628	34,624	0.99	5,954,574	34,823	151.77	10,658.96	\$170.87	7.8%	2.7%	4.9%
201505	21,454	37,323	5,523,819	32,612	0.99	5,565,982	32,861	152.24	10,661.18	\$171.36	7.9%	2.9%	4.9%
201506	21,398	37,220	5,842,164	34,404	0.99	5,900,640	34,749	153.75	10,732.21	\$171.91	8.4%	3.2%	5.1%
201507	21,342	37,169	6,023,146	34,064	0.99	6,102,047	34,510	155.34	10,781.80	\$172.89	9.2%	3.5%	5.4%
201508	21,210	36,937	5,437,893	31,996	0.98	5,545,871	32,632	156.46	10,847.10	\$173.09	9.8%	4.4%	5.2%
201509	21,229	36,930	5,509,353	33,202	0.97	5,659,962	34,110	157.16	10,864.33	\$173.59	9.9%	4.0%	5.7%
201510	21,162	36,764	6,126,912	36,545	0.96	6,362,858	37,953	152.41	10,845.55	\$168.63	2.5%	3.2%	-0.6%
201511	21,237	36,921	5,523,964	32,747	0.94	5,861,125	34,746	154.69	10,958.45	\$169.39	4.2%	4.5%	-0.3%
201512	21,076	36,508	5,439,185	32,788	0.92	5,892,301	35,525	155.67	11,010.99	\$169.65	4.2%	4.2%	-0.1%
201601	21,871	37,311	4,797,164	28,526	0.78	6,169,608	36,689	156.60	11,096.19	\$169.35	4.9%	5.1%	-0.2%
201602	22,711	38,298	2,278,478	14,509	0.28	8,094,090	51,552	163.27	11,660.82	\$168.02	9.2%	10.2%	-0.9%
Experience Period	256,413	446,566	67,971,872	400,570	0.98	69,515,507	409,761						
201503	21,607	37,674									7.2%	2.4%	4.7%
201509	21,229	36,930									9.9%	4.0%	5.7%
201512	21,076	36,508									4.2%	4.2%	-0.1%
Avg last 6 months	21,209	36,872									6.6%	4.0%	2.6%
Selected Pricing Trend												3.0%	2.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Other**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost
201304	21,193	38,080	782,265	3,001	1.00	782,265	3,001						
201305	21,193	37,963	723,683	3,019	1.00	723,683	3,019						
201306	21,060	37,755	670,837	2,591	1.00	670,837	2,591						
201307	21,055	37,782	859,527	2,774	1.00	859,527	2,774						
201308	21,353	38,228	968,478	2,955	1.00	968,478	2,955						
201309	21,182	37,860	865,426	2,895	1.00	865,430	2,895						
201310	21,207	37,864	940,619	3,310	1.00	940,634	3,310						
201311	21,254	38,041	848,856	2,872	1.00	848,879	2,872						
201312	21,331	38,279	966,975	2,935	1.00	967,002	2,935						
201401	24,902	44,057	933,103	3,301	1.00	933,141	3,301						
201402	25,080	44,387	916,056	3,459	1.00	916,123	3,459						
201403	24,931	44,090	1,204,239	3,932	1.00	1,204,331	3,932	22.51	937.08	\$288.31			
201404	24,785	43,924	1,062,098	4,220	1.00	1,062,232	4,220	22.82	956.14	\$286.44			
201405	24,805	43,935	1,185,918	3,709	1.00	1,186,351	3,710	23.49	961.46	\$293.23			
201406	24,716	43,873	1,135,003	4,128	1.00	1,135,533	4,130	24.15	987.02	\$293.57			
201407	24,316	43,152	1,095,541	4,303	1.00	1,096,152	4,305	24.36	1,013.28	\$288.50			
201408	24,062	42,822	1,129,619	3,874	1.00	1,130,461	3,877	24.46	1,026.04	\$286.08			
201409	23,690	42,199	1,113,150	4,360	1.00	1,114,217	4,364	24.74	1,052.05	\$282.22			
201410	23,274	41,506	1,122,162	4,542	1.00	1,123,435	4,547	24.92	1,073.63	\$278.58			
201411	22,980	40,925	1,035,816	4,212	1.00	1,037,439	4,218	25.15	1,099.08	\$274.61			
201412	21,579	38,192	1,194,954	5,204	1.00	1,197,212	5,213	25.60	1,152.55	\$266.58			
201501	21,542	37,787	1,092,006	4,580	1.00	1,094,234	4,589	26.24	1,197.31	\$262.98			
201502	21,542	37,690	1,149,190	4,263	1.00	1,152,275	4,274	27.06	1,232.89	\$263.41			
201503	21,607	37,674	1,126,623	4,931	1.00	1,130,523	4,947	27.26	1,273.59	\$256.89	21.1%	35.9%	-10.9%
201504	21,614	37,643	1,317,532	5,045	0.99	1,325,085	5,074	28.16	1,311.02	\$257.71	23.4%	37.1%	-10.0%
201505	21,454	37,323	1,062,918	4,036	0.99	1,071,031	4,067	28.30	1,337.95	\$253.85	20.5%	39.2%	-13.4%
201506	21,398	37,220	1,164,775	4,842	0.99	1,176,407	4,891	28.79	1,375.98	\$251.05	19.2%	39.4%	-14.5%
201507	21,342	37,169	1,137,421	4,488	0.99	1,152,306	4,547	29.27	1,399.77	\$250.96	20.2%	38.1%	-13.0%
201508	21,210	36,937	1,169,252	4,799	0.98	1,192,538	4,895	29.78	1,444.03	\$247.48	21.7%	40.7%	-13.5%
201509	21,229	36,930	1,077,367	2,800	0.97	1,106,778	2,877	30.11	1,421.63	\$254.14	21.7%	35.1%	-9.9%
201510	21,162	36,764	1,167,887	1,783	0.96	1,212,901	1,852	30.62	1,365.03	\$269.20	22.9%	27.1%	-3.4%
201511	21,237	36,921	890,052	1,365	0.94	944,353	1,448	30.69	1,303.06	\$282.60	22.0%	18.6%	2.9%
201512	21,076	36,508	964,784	1,660	0.92	1,045,658	1,799	30.46	1,216.23	\$300.57	19.0%	5.5%	12.7%
201601	21,871	37,311	740,474	1,108	0.78	950,919	1,425	30.18	1,132.41	\$319.76	15.0%	-5.4%	21.6%
201602	22,711	38,298	264,555	648	0.28	944,735	2,308	29.67	1,078.07	\$330.25	9.6%	-12.6%	25.4%
Experience Period	256,413	446,566	13,319,807	44,592	0.98	13,604,090	45,261						
201503	21,607	37,674									21.1%	35.9%	-10.9%
201509	21,229	36,930									21.7%	35.1%	-9.9%
201512	21,076	36,508									19.0%	5.5%	12.7%
Avg last 6 months	21,209	36,872									21.2%	27.5%	-4.0%
Selected Pricing Trend												10.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Rx**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost
201304	21,193	38,080	3,899,240	30,309	1.00	3,899,240	30,309						
201305	21,193	37,963	3,930,227	30,653	1.00	3,930,227	30,653						
201306	21,060	37,755	3,725,243	28,297	1.00	3,725,243	28,297						
201307	21,055	37,782	4,132,836	29,811	1.00	4,132,836	29,811						
201308	21,353	38,228	4,070,732	28,952	1.00	4,070,732	28,952						
201309	21,182	37,860	4,028,614	28,139	1.00	4,028,614	28,139						
201310	21,207	37,864	4,347,031	29,816	1.00	4,347,031	29,816						
201311	21,254	38,041	4,016,316	27,900	1.00	4,016,316	27,900						
201312	21,331	38,279	4,509,982	30,520	1.00	4,509,982	30,520						
201401	24,902	44,057	4,033,791	32,300	1.00	4,033,791	32,300						
201402	25,080	44,387	3,915,004	30,909	1.00	3,915,004	30,909						
201403	24,931	44,090	4,502,629	34,367	1.00	4,502,629	34,367	103.53	9,156.42	\$135.68			
201404	24,785	43,924	4,603,148	34,763	1.00	4,603,148	34,763	103.73	9,156.29	\$135.95			
201405	24,805	43,935	4,797,938	35,221	1.00	4,797,938	35,221	104.24	9,156.56	\$136.61			
201406	24,716	43,873	4,903,870	33,944	1.00	4,903,870	33,944	105.34	9,180.42	\$137.70			
201407	24,316	43,152	5,058,992	34,256	1.00	5,058,992	34,256	106.07	9,188.54	\$138.52			
201408	24,062	42,822	4,539,088	32,694	1.00	4,539,088	32,694	106.03	9,193.90	\$138.39			
201409	23,690	42,199	4,496,990	33,052	1.00	4,496,990	33,052	106.04	9,231.53	\$137.85			
201410	23,274	41,506	4,921,062	33,942	1.00	4,921,062	33,942	106.41	9,262.67	\$137.86			
201411	22,980	40,925	4,402,919	31,509	1.00	4,402,919	31,509	106.57	9,295.01	\$137.58			
201412	21,579	38,192	4,593,670	33,505	1.00	4,593,670	33,505	106.75	9,366.40	\$136.76			
201501	21,542	37,787	4,440,385	31,152	1.00	4,440,385	31,152	108.87	9,455.10	\$138.18			
201502	21,542	37,690	4,050,318	28,027	1.00	4,050,318	28,027	110.60	9,512.56	\$139.52			
201503	21,607	37,674	4,596,098	30,972	1.00	4,596,098	30,972	112.23	9,553.67	\$140.97	8.4%	4.3%	3.9%
201504	21,614	37,643	4,751,362	30,180	1.00	4,751,362	30,180	113.98	9,563.95	\$143.01	9.9%	4.5%	5.2%
201505	21,454	37,323	4,453,032	29,914	1.00	4,453,032	29,914	114.83	9,563.02	\$144.09	10.2%	4.4%	5.5%
201506	21,398	37,220	4,727,913	30,233	1.00	4,727,913	30,233	116.07	9,603.28	\$145.04	10.2%	4.6%	5.3%
201507	21,342	37,169	4,830,843	30,117	1.00	4,830,843	30,117	117.06	9,619.92	\$146.03	10.4%	4.7%	5.4%
201508	21,210	36,937	4,711,308	29,366	1.00	4,711,308	29,366	118.93	9,655.99	\$147.80	12.2%	5.0%	6.8%
201509	21,229	36,930	4,659,286	29,168	1.00	4,659,286	29,168	120.65	9,665.34	\$149.80	13.8%	4.7%	8.7%
201510	21,162	36,764	5,238,522	30,487	1.00	5,238,522	30,487	122.62	9,675.01	\$152.09	15.2%	4.5%	10.3%
201511	21,237	36,921	4,680,899	29,626	1.00	4,680,899	29,626	124.34	9,711.02	\$153.64	16.7%	4.5%	11.7%
201512	21,076	36,508	5,517,401	31,742	1.00	5,517,401	31,742	126.87	9,700.26	\$156.95	18.9%	3.6%	14.8%
201601	21,871	37,311	4,809,351	30,183	1.00	4,809,351	30,183	127.84	9,684.55	\$158.40	17.4%	2.4%	14.6%
201602	22,711	38,298	5,171,481	31,458	1.00	5,171,481	31,458	130.17	9,763.54	\$159.99	17.7%	2.6%	14.7%
Experience Period	256,413	446,566	56,657,366	360,984	1.00	56,657,366	360,984						
201503	21,607	37,674									8.4%	4.3%	3.9%
201509	21,229	36,930									13.8%	4.7%	8.7%
201512	21,076	36,508									18.9%	3.6%	14.8%
Avg last 6 months	21,209	36,872									14.5%	4.5%	9.6%
Selected Pricing Trend												3.0%	9.5%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017

**D.C. GHMSI Small Group & Individual Base Experience - Medical and Rx Total**

Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

					Completed	Rolling 12 PMPM	Rolling 12 Trend
Month	Contracts	Members	Allowed	Completion Factor	Allowed	Allowed	Allowed
201304	21,193	38,080	16,032,992	1.00	16,032,992		
201305	21,193	37,963	15,567,728	1.00	15,567,728		
201306	21,060	37,755	14,928,917	1.00	14,928,917		
201307	21,055	37,782	16,074,884	1.00	16,074,888		
201308	21,353	38,228	15,873,687	1.00	15,873,691		
201309	21,182	37,860	17,295,896	1.00	17,295,950		
201310	21,207	37,864	17,337,403	1.00	17,337,610		
201311	21,254	38,041	15,920,644	1.00	15,920,963		
201312	21,331	38,279	16,580,299	1.00	16,580,635		
201401	24,902	44,057	20,733,936	1.00	20,734,604		
201402	25,080	44,387	17,341,230	1.00	17,342,160		
201403	24,931	44,090	19,131,303	1.00	19,132,358	427.55	
201404	24,785	43,924	19,319,477	1.00	19,320,961	429.19	
201405	24,805	43,935	18,504,948	1.00	18,510,032	429.97	
201406	24,716	43,873	19,558,569	1.00	19,565,486	434.05	
201407	24,316	43,152	19,684,421	1.00	19,692,757	436.63	
201408	24,062	42,822	20,808,077	1.00	20,820,663	442.49	
201409	23,690	42,199	17,964,726	1.00	17,977,834	440.04	
201410	23,274	41,506	23,768,069	1.00	23,789,617	449.55	
201411	22,980	40,925	17,537,261	1.00	17,557,217	450.21	
201412	21,579	38,192	18,106,201	1.00	18,131,634	453.31	
201501	21,542	37,787	18,415,239	1.00	18,444,375	454.40	
201502	21,542	37,690	15,630,886	1.00	15,661,816	457.12	
201503	21,607	37,674	18,685,458	1.00	18,734,698	462.26	8.1%
201504	21,614	37,643	18,704,681	1.00	18,784,679	467.11	8.8%
201505	21,454	37,323	17,869,156	0.99	17,971,524	472.42	9.9%
201506	21,398	37,220	18,961,029	0.99	19,103,298	478.07	10.1%
201507	21,342	37,169	19,006,805	0.99	19,192,371	483.11	10.6%
201508	21,210	36,937	17,948,951	0.99	18,211,683	483.62	9.3%
201509	21,229	36,930	17,670,386	0.98	18,026,230	489.30	11.2%
201510	21,162	36,764	19,491,688	0.97	20,040,637	486.14	8.1%
201511	21,237	36,921	16,913,447	0.96	17,659,979	490.71	9.0%
201512	21,076	36,508	18,512,812	0.94	19,592,005	495.84	9.4%
201601	21,871	37,311	16,001,234	0.83	19,199,722	498.06	9.6%
201602	22,711	38,298	8,977,999	0.48	18,723,257	504.23	10.3%

Experience Period	256,413	446,566	217,810,539	0.98	221,423,295		
201503	21,607	37,674					8.1%
201509	21,229	36,930					11.2%
201512	21,076	36,508					9.4%
Avg last 6 months	21,209	36,872					9.6%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**DC Combined - Small Group & Individual Capitations**

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.45	\$0.36	\$0.27	-40%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0%
Wellness*	\$0.21	\$0.21	\$0.21	0%
Embedded Pediatric Vision **	\$0.27	\$0.27	\$0.27	0%
Embedded Adult Vision ***	\$0.09	\$0.09	\$0.09	0%
<b>TOTAL</b>	<b>\$1.06</b>	<b>\$0.97</b>	<b>\$0.88</b>	<b>-17%</b>

\*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

\*\*Only applies to members age 19 and under.

\*\*\*Ind64- only and only applies to members over the age of 19.



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Non-Grandfathered Experience for ACA Plans**

**Existing Products Included in Experience Period**

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contracts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*
78079DC0200001	BluePreferred HSA Bronze \$3,500	78079DC0210002	BluePreferred PPO Standard Bronze \$4,500	78079DC0210002	BluePreferred PPO Standard Bronze \$5,000	On	706	8,579	\$2,663,110	\$2,825,910	\$1,658,176
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan Base	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base	On	922	10,268	\$3,387,236	\$4,297,753	\$2,817,752
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 94%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 94%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 94%	On	5	42	\$13,331	\$39,634	\$29,238
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 87%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 87%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 87%	On	7	67	\$29,863	\$18,912	\$11,929
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 73%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 73%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 73%	On	31	368	\$134,249	\$567,881	\$494,058
78079DC0160001	BlueCross BlueShield Preferred 500, A Multi-State Plan	78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	701	7,885	\$3,350,469	\$5,414,458	\$4,466,192
78079DC0210001	BluePreferred Platinum \$0	78079DC0210001	BluePreferred PPO Standard Platinum \$0	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	927	10,494	\$5,469,004	\$12,069,341	\$11,110,555
Total							3,299	37,703	\$ 15,047,262	\$ 25,233,889	\$ 20,587,900
									\$ (3,838)		

\*These amounts do not include pharmacy rebates, capitations & miscellaneous.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**Rate Filing # 2112**

**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**

**Actuarial Memorandum**

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Table of Contents**

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
GHMSI Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
GHMSI Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support For Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Plan Level Derivations	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Age Calibration Factor	30
<b>Appendix</b>	31
Rating Methodology	32
Reserving Methodology	33
DC Age Rating Factors	34
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	35 - 40
Capitations Summary	41
Summary of Existing ACA HIOS Data	42

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Actuarial Certification**

I, Brad Boban, am a Pricing Actuary with GHMSI doing business as CareFirst BlueChoice. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
  - a. a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
  - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs.
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

*Brad Boban, A.S.A., M.A.A.A.*

---

Brad Boban, ASA, MAAA  
Assistant Actuary  
CareFirst BlueCross BlueShield  
Mail Drop-Point 01-780  
10455 Mill Run Circle  
Owings Mills, MD 21117-5559

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Form Numbers**

**Form Numbers Associated With This ACA Filing:**

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<b>BluePreferred PPO Standard Plans</b>
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DC/CF/EXC/BP/IEA (R. 1/17)  
DC/CF/BP/EXC/DOCS (1/17)  
DC/CF/EXC/BP STD/BRZ 5000 (1/17)  
DC/CF/EXC/BP STD/GOLD 500 (1/17)  
DC/CF/EXC/BP STD/NATAMER SOB (1/17)  
DC/CF/EXC/BP STD/SIL 2000 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 73 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 87 (1/17)  
DC/CF/EXC/BP STD/SIL 2000 94 (1/17)  
DC/CF/EXC/NATAMER (1/14)  
DC/GHMSI/DOL APPEAL (R. 1/16)  
DC/CF/MEM/BLCRD (1/12)  
DC/CF/ANCILLARY AMEND (10/12)  
DC/GHMSI/HEALTH GUARANTEE 1/15  
DC/CF/PT PROTECT (9/10)

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**HIOS Product IDs**

**ACA Products Projection Period**

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
78079DC021	BluePreferred	78079DC0210002	01	BluePreferred PPO Standard Bronze \$5,000	On	PPO	Yes	62.0%	Bronze	No	839
78079DC021	BluePreferred	78079DC0210004	01	BluePreferred PPO Standard Silver \$2,000 Base	On	PPO	Yes	71.7%	Silver	No	2,177
78079DC021	BluePreferred	78079DC0210004	04	BluePreferred PPO Standard Silver \$2,000 73%	On	PPO	Yes	73.0%	Silver	No	59
78079DC021	BluePreferred	78079DC0210003	01	BluePreferred PPO Standard Gold \$500	On	PPO	Yes	81.9%	Gold	No	2,713
Total											5,788

2017 Plan Mapping:

2016		2017	
HIOS Plan ID	Plan Name	HIOS Plan ID	Plan Name
78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base
78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500
78079DC0210001	BluePreferred PPO Standard Platinum \$0		

In 2017 all Non-Standard plans will be uniformly modified into the Standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

<b>Acronym</b>	<b>Definition</b>
GHMSI	Group Hospitalization and Medical Services, Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non- Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Arrangement
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia GHMSI RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING									
		Projected Members 12/31/17					Consumer		Consumer		
	2016	2017	PUBLIC	PRIVATE		HHS	Adj.	HHS	Adj.		
	Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	AV	Rate	AV	Rate	
							2016	1/1/16	2017	1/1/17	Δ
1											
2											
3	<u>Bronze Plans</u>										
4	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
5	Subtotal:		839	0	839	14%	0.614	\$257	0.620	\$274	6.8%
6											
7	<u>Silver Plans</u>										
8	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
9	BluePreferred PPO Standard Silver \$2,000		2,236	0	2,236	39%	0.704	\$338	0.717	\$334	-1.3%
10	Silver Subtotal		2,236	0	2,236	39%	0.696	\$289	0.717	\$334	15.5%
11											
12	<u>Gold Plans</u>										
13	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	47%	0.816	\$428	0.819	\$432	1.0%
14	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
15	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
16	Subtotal:		2,713	0	2,713	47%	0.862	\$474	0.819	\$432	-8.9%
17											
18	<u>Platinum Plans</u>										
19	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	n/a	n/a	n/a
20	Subtotal:		0	0	0	0%	0.912	\$521	0.000	\$0	0.0%
21	TOTAL:		5,788	0	5,788	100%	0.000	\$371	0.000	\$371	0.0%
22			100%	0%							
23	GHMSI		5,788	0	5,788		0.762	\$371	0.751	\$371	0.0%
24											
25	PPO/HMO Ratio:										
26	LOW RENEWAL (Minimum):										-17.0%
27	HIGH RENEWAL (Maximum):										21.2%



CareFirst, Inc. (CFI)  
DC Individual On & Off Exchange Products Rates Effective 1/1/2017  
IND64- District of Columbia CFI RATE CHANGE SUMMARY

			RATE FILING				Consumer		Consumer		
			Projected Members 12/31/17				HHS	Adj.	HHS	Adj.	
	2016	2017	PUBLIC	PRIVATE			AV	Rate	AV	Rate	
	Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ
1	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%
2											
3											
4	Bronze Plans										
5	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
6	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
7	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
8	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
9	Subtotal:		4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%
10											
11	Silver Plans										
12	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
13	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
14	BlueCross BlueShield Preferred \$1,600	BluePreferred PPO Standard Silver \$2,000	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
15	BluePreferred Standard Silver \$2000		2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
16	Subtotal:		4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%
17											
18	Gold Plans										
19	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
20	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
21	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
22	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
23	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
24	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
25	Subtotal:		5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%
26											
27	Platinum Plans										
28	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a
29	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a
30	Subtotal:		0	0	0	0%	0.912	\$492	0.000	\$0	n/a
31	TOTAL:		15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%
32			100%	0%							
33	BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
34	GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
35	Subtotal:		15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%
36											
37	PPO/HMO Ratio:						1.48		1.31		
38	LOW RENEWAL (Minimum):										-17.0%
39	HIGH RENEWAL (Maximum):										65.3%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**  
**Rate History**

				Consumer Adjusted Rates			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	\$ 237.79	\$ 251.65	\$ 256.57	\$ 273.93
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000	\$ 301.42	\$ 298.74	\$ 275.27	\$ 333.60
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	\$ 337.94	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	\$ 375.61	\$ 402.51	\$ 425.58	\$ 432.00
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	\$ 427.68	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		\$ 469.18	\$ 503.13	\$ 520.65	
				Renewals			
Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	2014*	2015	2016	2017
ON	BluePreferred HSA Bronze \$3,500	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000		5.8%	2.0%	6.8%
ON	BlueCross BlueShield Preferred 1500, A Multi-State Plan	BlueCross BlueShield Preferred 1600, a Multi-State Plan	BluePreferred PPO Standard Silver \$2,000		-0.9%	-7.9%	21.2%
ON	N/A	BluePreferred PPO Standard Silver \$2,000		n/a	n/a	-1.3%	
ON	BlueCross BlueShield Preferred 500, A Multi-State Plan	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500		7.2%	5.7%	1.5%
ON	N/A	BluePreferred PPO Standard Gold \$500		n/a	n/a	1.0%	
ON	BluePreferred Platinum \$0	BluePreferred PPO Standard Platinum \$0		7.2%	3.5%	-17.0%	

\*Inception, except for the PPO Standard Silver \$2,000 and PPO Standard Gold \$500, both of which were new for 2016.

\*\*In 2017, we are uniformly modifying all members/plans into a single plan per metal level. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -17.0%  
Max 21.2%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**BluePreferred Projected Morbidity**

2017 Change in Morbidity Projection					
	2015 Actual SRP*		2017 Projected		
	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ
<b>Metal</b>					
Bronze	\$288	707	\$299	855	
Silver	\$469	965	\$441	2,585	
Gold	\$668	701	\$866	2,560	
Platinum	\$1,079	927			
<b>Ind Under 65 Single Risk Pool</b>	\$666	3,300	\$602	6,000	0.904
<b>Small Group Single Risk Pool</b>	\$484	33,175	\$484	33,679	1.000
<b>Combined Single Risk Pool</b>	<b>\$496</b>	<b>36,475</b>	<b>\$502</b>	<b>39,679</b>	<b>1.013</b>

\*Excludes Rx rebates and capitations.

Group Hospitalization & Medical Services, Inc. (GHMSI)  
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017  
GHMSI D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (MERGED)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016
Experience Period Summary	Total				
Experience Period Premiums	\$ 215,112,455				
MLR Rebates	\$ -				
Net Experience Period Premiums	\$ 215,112,455				
Experience Period Paid Claims (Non-Capitated)	\$ 190,859,339				
Completion Factor	0.98				
Experience Period Incurred Claims (Non-Capitated)	\$ 194,074,820				
Capitations	\$ 473,767				
Rx Rebates	\$ (12,581,018)				
Other Manual Claims	\$ -				
Total Experience Period Claims	\$ 181,967,569				
Experience Period Loss Ratio (Before MLR Rebates)	84.59%				
Experience Period Loss Ratio (After MLR Rebates)	84.59%				
Experience Period Loss Ratio (System Claims Only)	90.22%				
Experience Period Member Months	446,566				
Average Members	37,214				
End of Experience Period Contracts	21,076				
End of Experience Period Members	36,508				
Experience Period Allowed Claims (Non-Capitated)	\$ 221,423,295				
Adjustments	\$ (12,107,251)				
Total Adjusted EP Allowed Claims	\$ 209,316,044				
EP Paid / Allowed Ratio	86.9%				

Service Category Level Projection

Service Category	Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient		Admits	2,204	\$ 35,895,163	\$ -	\$ -	\$ 35,895,163
Outpatient		Visits	34,045	\$ 45,751,169	\$ -	\$ -	\$ 45,751,169
Professional		Visits	409,761	\$ 69,515,507	\$ -	\$ -	\$ 69,515,507
Other		Services	45,261	\$ 13,604,090	\$ -	\$ -	\$ 13,604,090
Rx		Scripts	360,984	\$ 56,657,366	\$ -	\$ (12,581,018)	\$ 44,076,349
Capitation		Average Members	37,214	\$ 473,767	\$ -	\$ -	\$ 473,767
Total				\$ 221,897,062	\$ -	\$ (12,581,018)	\$ 209,316,045
PMPM				\$ 496.90	\$ -	\$ (28.17)	\$ 468.72
				Non-EHB Claims In Experience PMPM **		\$ 2.19	
				EP Index Rate for EHB		\$ 466.53	

Annual Trend Inputs	
Cost Trend	Utilization Trend
0.0%	1.0%
9.0%	3.5%
2.0%	3.0%
0.0%	10.0%
9.5%	3.0%
0.0%	0.0%

Service Category	Experience Period Allowed	Experience Period			Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected		PMPM	Effective Allowed PMPM
		Utilization Measure	Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other			Util / 1000	Unit Cost		
Inpatient		Admits	59.23	\$ 16,283.93	\$ 80.38	1.013	1.013	1.000	1.020	1.05	61.21	\$ 16,494.95	\$ 84.14
Outpatient		Visits	914.86	\$ 1,343.83	\$ 102.45	1.013	1.013	1.188	1.071	1.31	992.76	\$ 1,617.30	\$ 133.80
Professional		Visits	11,010.99	\$ 169.65	\$ 155.67	1.013	1.013	1.040	1.061	1.13	11,833.42	\$ 178.79	\$ 176.31
Other		Services	1,216.23	\$ 300.57	\$ 30.46	1.013	1.013	1.000	1.210	1.24	1,490.77	\$ 304.47	\$ 37.82
Rx		Scripts	9,700.26	\$ 122.10	\$ 98.70	1.013	0.947	1.199	1.061	1.22	10,424.79	\$ 138.64	\$ 120.44
Capitation		Benefit Period	1,000.00	\$ 12.73	\$ 1.06	1.000	0.830	1.000	1.000	0.83	1,000.00	\$ 10.57	\$ 0.88
Total					\$ 468.72								
Projected Allowed Claims PMPM (EHB + Non-EHB)												\$ 553.39	8.0%
Non-EHB Claims In Projected PMPM*												\$ 2.43	
Index Rate for EHB												\$ 550.96	

\* Includes abortion claims and capitation for embedded adult vision benefit.

\*\* Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC GHMSI

		1	2	3	4	5	6	7	8	9	10	11	12	13
2016 FILING								2017 FILING						
GHMSI - DC		Allowed Claims		%	Cost	Utilization	Claims	EXPERIENCE PERIOD		PROJECTED			vs 2016 Δ	
					Trend	Trend	Trend	Allowed Claims	%	Cost Trend	Utilization Trend	Claims Trend*		
1	Inpatient	Hospital	\$40,005,763	17%	8.0%	1.0%	9.1%	\$35,895,163	16%	0.0%	1.0%	1.0%	-8.1%	
2	Outpatient	Hospital	\$47,122,116	21%	3.5%	3.5%	7.1%	\$45,751,169	21%	9.0%	3.5%	12.8%	5.7%	
3	Professional		\$74,124,676	32%	3.5%	1.5%	5.1%	\$69,515,507	31%	2.0%	3.0%	5.1%	0.0%	
4	Other	Non-Capitated Ambulance	\$13,002,211	6%	4.0%	2.0%	6.1%	\$13,604,090	6%	0.0%	10.0%	10.0%	3.9%	
5		Home Health												
6		DME												
7		Prosthetics												
8		Supplies												
9		Vision Exams												
10		Dental Services												
11		Other Services												
12	Medical	Subtotal (Clms-Wgtd):	\$174,254,765	76%	4.6%	2.0%	6.6%	\$164,765,929	74%	3.3%	3.3%	6.7%	0.1%	
13														
14	Rx	Claims-Weighted	\$54,658,099	24%	13.0%	0.0%	13.0%	\$56,657,366	26%	9.5%	3.0%	12.8%	-0.2%	
15	Total	Claims Weighted	\$228,912,864	100%	6.6%	1.5%	8.2%	\$221,423,295	100%	4.9%	3.2%	8.3%	0.1%	
16														
17	Weighted Total DC (BC & GHMSI)											8.2%		

\* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Projected Risk Adjustment**

**2015**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	8,602	23%	0.907	1.240	-\$768,069	-\$89.29
Silver	10,786	29%	1.408	1.127	\$28,720	\$2.66
Gold	7,873	21%	1.719	1.066	\$388,067	\$49.29
Platinum	10,572	28%	3.197	1.043	\$4,063,933	\$384.39
Total	37,834	100%	1.859	1.117	\$3,712,652	\$98.13
Statewide						
	167,010	\$324.59	1.309	1.082		

**2016**

**Existing**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	7,500	15%	1.033	1.259	-\$527,783	-\$70.37
Silver	17,628	35%	1.528	1.185	\$253,768	\$14.40
Gold	11,904	24%	1.705	1.075	\$543,202	\$45.63
Platinum	12,828	26%	3.764	1.081	\$6,982,823	\$544.34
Total	49,860	100%	2.071	1.143	\$7,252,010	\$145.45

**New**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	2,076	13%	0.907	0.999	-\$74,780	-\$36.02
Silver	7,884	49%	1.408	1.080	\$131,829	\$16.72
Gold	3,288	20%	1.719	0.952	\$304,902	\$92.73
Platinum	2,940	18%	3.197	1.093	\$1,142,059	\$388.46
Total	16,188	100%	1.732	1.046	\$1,504,010	\$92.91

**All**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	9,576	14%	1.006	1.202	-\$602,564	-\$62.92
Silver	25,512	39%	1.491	1.153	\$385,598	\$15.11
Gold	15,192	23%	1.708	1.049	\$848,104	\$55.83
Platinum	15,768	24%	3.658	1.083	\$8,124,882	\$515.28
Total	66,048	100%	1.988	1.119	\$8,756,020	\$132.57

State Average Premium	\$345.65
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**2017**

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Bronze	10,008	14%	0.987	1.164	-\$625,174	-\$62.47
Silver	30,358	43%	1.468	1.132	\$551,655	\$18.17
Gold	16,530	24%	1.710	1.028	\$1,178,885	\$71.32
Platinum	13,403	19%	3.332	1.075	\$6,682,343	\$498.58
Total	70,298	100%	1.812	1.101	\$7,787,710	\$110.78

State Average Premium	\$365.56
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Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Summary of Risk Adjustment\***

		(1)	(2)	(3) = (2) x 0.50 Proposed Risk Adjustment PMPM Applied to Projected Index Rate	(4) Risk Adjustment User Fee PMPM**	(5) Paid to Allowed Ratio	(6) = 1 + (((3)/(5))+(4)))/(1) Proposed Value for Rate Filing
		Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)				
<b>GHMSI</b>	2017	\$ 550.96	(\$110.78)	\$ (55.39)	\$ 0.13	0.717	0.8599

\* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

\*\* Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual**

	1	2	3	4
		<b>Ind 64- DC GHMSI Projected 2017</b>		
		<b>PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical \$	430.52		
	RX \$	120.44		
	<b>TOTAL \$</b>	<b>550.96</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	433.09		
	RX \$	120.44		
	<b>TOTAL \$</b>	<b>553.53</b>		
Projected EMMs		62,048		
Average Members		5,171		
Paid/Allowed Ratio		71.7%		
Paid Claims & Captns	\$	396.61		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(55.39)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(55.39)</b>		
Paid Claims & Captns (Post-3Rs)	<b>\$</b>	<b>341.22</b>	<b>81.1%</b>	<b>\$ 21,172,205</b>
Administrative Expense	\$	57.78	13.7%	\$ 3,585,198
Broker Commissions & Fee	\$	3.62	0.9%	\$ 224,363
Contribution to Reserve (CtR) - Post-FIT	\$	-	0.0%	\$ -
Investment Income Credit	\$	(0.00)	0.0%	\$ (25)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	8.42	2.0%	\$ 522,134
State Assessment Fees	\$	0.18	0.0%	\$ 11,321
State Income Tax (SIT)	\$	-	0.0%	\$ -
Federal Income Tax (FIT)	\$	-	0.0%	\$ -
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	-	0.0%	\$ -
Risk Adjustment User Fee	\$	0.13	0.0%	\$ 8,066
<b>Exchange Assessment Fee</b>	\$	4.21	1.0%	\$ 261,067
<b>Exchange User Fees (FFEs Only)</b>	\$	-	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.0%	\$ 12,136
BlueRewards/Incentive Program-Medical Debit Cards	\$	5.00	1.2%	\$ 310,240
Other	\$	-	0.0%	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>420.75</b>	<b>100.0%</b>	<b>\$ 26,106,705</b>
Contribution to Reserve (CtR) - Pre-FIT			0.0%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(55.39)	\$	(3,436,862)
Reinsurance Receipts	\$	-	\$	-
BlueRewards/Incentive Program-Medical Debit Cards	\$	-	\$	-
Quality Improvement Expenses (net after MLR reclass from care)	\$	4.95	\$	307,037
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(3.78)	\$	(234,675)
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(54.22)</b>	<b>\$</b>	<b>(3,364,500)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	8.42	\$	522,134
State Assmt Fee	\$	0.18	\$	11,321
State Income Tax	\$	-	\$	-
Federal Income Tax	\$	-	\$	-
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	-	\$	-
Reinsurance Contribution	\$	-	\$	-
Reinsurance Admin. Fee	\$	-	\$	-
Risk Adj User Fees	\$	0.13	\$	8,066
Exchange Assessment Fee	\$	4.21	\$	261,067
Exchange User Fee	\$	-	\$	-
PCORI	\$	0.20	\$	12,136
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>13.13</b>	<b>\$</b>	<b>814,725</b>
FHCR Claims	\$	342.39	\$	21,244,567
FHCR MLR Premium	\$	407.62	\$	25,291,981
<b>FHCR Loss Ratio</b>		<b>84.0%</b>		



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Small Group**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	SG DC GHMSI Projected 1Q17			SG DC GHMSI Projected 2Q17			SG DC GHMSI Projected 3Q17			SG DC GHMSI Projected 4Q17			SG DC GHMSI Projected 2017			2017
			%	\$		%	\$		%	\$		%	\$		%	\$
<b>TRADITIONAL LOSS RATIO</b>																
Allowed Claims & Captns (EHB Only)	Medical	\$ 430.52		\$ 437.88			\$ 445.41			\$ 453.13			\$ 445.25			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 550.96</b>		<b>\$ 561.99</b>			<b>\$ 573.31</b>			<b>\$ 584.94</b>			<b>\$ 573.09</b>			
Allowed Claims & Captns (EHB & Non-EHB)	Medical	\$ 432.82		\$ 440.21			\$ 447.79			\$ 455.55			\$ 447.63			
	RX	\$ 120.44		\$ 124.12			\$ 127.91			\$ 131.81			\$ 127.84			
	<b>TOTAL</b>	<b>\$ 553.26</b>		<b>\$ 564.33</b>			<b>\$ 575.69</b>			<b>\$ 587.36</b>			<b>\$ 575.47</b>			
Projected EMMs		91,572		29,976			75,504			197,724			394,776			
Average Members		7,631		2,498			6,292			16,477			32,898			
%		2.3%		8%			19%			50%			100%			
Paid/Allowed Ratio		85.8%		85.8%			85.8%			85.8%			85.8%			
Paid Claims & Captns		\$ 474.65		\$ 484.00			\$ 493.88			\$ 503.89			\$ 493.68			
"3Bs"																
Risk Corridor		n/a		n/a			n/a			n/a			n/a			
Risk Adjustment/Transfer (Paid Claims Basis)		\$ (38.14)		\$ (38.14)			\$ (38.14)			\$ (38.14)			\$ (38.14)			
Reinsurance Recoveries (State & Federal)		\$ -		\$ -			\$ -			\$ -			\$ -			
(Individual Only, Paid Claims Basis)		\$ -		\$ -			\$ -			\$ -			\$ -			
<b>Subtotal:</b>		<b>\$ (38.14)</b>		<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			<b>\$ (38.14)</b>			
Paid Claims & Captns (Post-3Rs)		\$ 436.51	79.4%	\$ 39,971,936	\$ 445.86	78.9%	\$ 13,365,116	\$ 455.74	78.7%	\$ 34,410,111	\$ 465.75	78.3%	\$ 92,089,769	\$ 455.54	78.6%	\$ 179,836,932
Administrative Expense		\$ 49.46	9.0%	\$ 4,529,369	\$ 49.46	8.8%	\$ 1,482,684	\$ 49.46	8.5%	\$ 3,734,607	\$ 49.46	8.3%	\$ 9,779,889	\$ 49.46	8.5%	\$ 19,526,560
Broker Commissions & Fee		\$ 23.21	4.2%	\$ 2,124,949	\$ 23.21	4.1%	\$ 695,600	\$ 23.21	4.0%	\$ 1,752,088	\$ 23.21	3.9%	\$ 4,588,231	\$ 23.21	4.0%	\$ 9,160,868
Contribution to Reserve (CR) - Post-FIT		\$ 12.10	2.2%	\$ 1,107,639	\$ 12.42	2.2%	\$ 372,449	\$ 12.74	2.2%	\$ 962,111	\$ 13.09	2.2%	\$ 2,588,565	\$ 12.74	2.2%	\$ 5,030,764
Investment Income Credit		\$ (0.00)	0.0%	\$ (49)	\$ (0.00)	0.0%	\$ (16)	\$ (0.00)	0.0%	\$ (43)	\$ (0.00)	0.0%	\$ (115)	\$ (0.00)	0.0%	\$ (223)
<b>Non-ACA Taxes &amp; Fees</b>																
State Premium Tax		\$ 11.00	2.0%	\$ 1,006,944	\$ 11.30	2.0%	\$ 338,590	\$ 11.58	2.0%	\$ 874,646	\$ 11.90	2.0%	\$ 2,353,241	\$ 11.58	2.0%	\$ 4,573,422
State Assessment Fees		\$ 0.63	0.1%	\$ 57,886	\$ 0.65	0.1%	\$ 19,464	\$ 0.67	0.1%	\$ 50,280	\$ 0.68	0.1%	\$ 135,280	\$ 0.67	0.1%	\$ 262,911
State Income Tax (SIT)		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Federal Income Tax (FIT)		\$ 3.30	0.6%	\$ 302,083	\$ 3.39	0.6%	\$ 101,577	\$ 3.48	0.6%	\$ 262,394	\$ 3.57	0.6%	\$ 705,972	\$ 3.48	0.6%	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>																
Health Insurer Fee		\$ 0.37	0.1%	\$ 33,706	\$ 0.37	0.1%	\$ 152,553	\$ 0.37	0.1%	\$ 663,982	\$ 0.37	0.1%	\$ 2,711,716	\$ 0.37	0.1%	\$ 5,561,956
Reinsurance Contribution		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Reinsurance Administrative Fee		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Risk Adjustment User Fee		\$ 0.13	0.0%	\$ 11,904	\$ 0.13	0.0%	\$ 3,897	\$ 0.13	0.0%	\$ 9,816	\$ 0.13	0.0%	\$ 25,704	\$ 0.13	0.0%	\$ 51,321
Exchange Assessment Fee		\$ 5.50	1.0%	\$ 503,472	\$ 5.65	1.0%	\$ 169,295	\$ 5.79	1.0%	\$ 437,323	\$ 5.95	1.0%	\$ 1,176,620	\$ 5.79	1.0%	\$ 2,286,711
Exchange User Fees (FEs) Only		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax		\$ 0.20	0.0%	\$ 17,911	\$ 0.20	0.0%	\$ 5,863	\$ 0.20	0.0%	\$ 14,768	\$ 0.20	0.0%	\$ 40,052	\$ 0.20	0.0%	\$ 78,593
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42	1.3%	\$ 679,464	\$ 7.42	1.3%	\$ 222,422	\$ 7.42	1.3%	\$ 560,240	\$ 7.42	1.2%	\$ 1,467,112	\$ 7.42	1.3%	\$ 2,929,238
Other		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -
<b>TOTAL</b>		<b>\$ 549.81</b>	<b>100.0%</b>	<b>\$ 50,347,214</b>	<b>\$ 564.77</b>	<b>100.0%</b>	<b>\$ 16,929,494</b>	<b>\$ 579.21</b>	<b>100.0%</b>	<b>\$ 43,732,323</b>	<b>\$ 595.08</b>	<b>100.0%</b>	<b>\$ 117,662,047</b>	<b>\$ 579.24</b>	<b>100.0%</b>	<b>\$ 228,671,078</b>
Contribution to Reserve (CLR) - Pre-FIT			2.8%			2.8%			2.8%			2.8%			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>																
Risk Adjustment		\$ (38.14)		\$ (3,492,590)	\$ (38.14)		\$ (1,143,296)	\$ (38.14)		\$ (2,879,751)	\$ (38.14)		\$ (7,541,267)	\$ (38.14)		\$ (15,056,904)
Reinsurance Receipts (Individual Only)		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
BlueRewards/Incentive Program-Medical Debit Cards		\$ 7.42		\$ 679,464	\$ 7.42		\$ 222,422	\$ 7.42		\$ 560,240	\$ 7.42		\$ 1,467,112	\$ 7.42		\$ 2,929,238
Quality Improvement Expenses		\$ 4.82		\$ 441,769	\$ 4.82		\$ 144,612	\$ 4.82		\$ 364,252	\$ 4.82		\$ 953,875	\$ 4.82		\$ 1,904,508
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)		\$ 7.29		\$ 667,537	\$ 7.29		\$ 218,517	\$ 7.29		\$ 550,405	\$ 7.29		\$ 1,441,358	\$ 7.29		\$ 2,877,817
<b>Numerator (Claims) Adjustment</b>		<b>\$ (18.61)</b>		<b>\$ (1,703,821)</b>	<b>\$ (18.61)</b>		<b>\$ (557,744)</b>	<b>\$ (18.61)</b>		<b>\$ (1,404,854)</b>	<b>\$ (18.61)</b>		<b>\$ (3,678,922)</b>	<b>\$ (18.61)</b>		<b>\$ (7,345,340)</b>
Non-ACA: Taxes & Regulatory Fees																
State Premium Tax		\$ 11.00		\$ 1,006,944	\$ 11.30		\$ 338,590	\$ 11.58		\$ 874,646	\$ 11.90		\$ 2,353,241	\$ 11.58		\$ 4,573,422
State Asmt Fee		\$ 0.63		\$ 57,886	\$ 0.65		\$ 19,464	\$ 0.67		\$ 50,280	\$ 0.68		\$ 135,280	\$ 0.67		\$ 262,911
State Income Tax		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Federal Income Tax		\$ 3.30		\$ 302,083	\$ 3.39		\$ 101,577	\$ 3.48		\$ 262,394	\$ 3.57		\$ 705,972	\$ 3.48		\$ 1,372,026
ACA: Taxes & Regulatory Fees																
Health Insurer Fee		\$ 0.37		\$ 33,706	\$ 0.37		\$ 152,553	\$ 0.37		\$ 663,982	\$ 0.37		\$ 2,711,716	\$ 0.37		\$ 5,561,956
Reinsurance Contribution		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Reinsurance Admin. Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
Risk Adj. User Fees		\$ 0.13		\$ 11,904	\$ 0.13		\$ 3,897	\$ 0.13		\$ 9,816	\$ 0.13		\$ 25,704	\$ 0.13		\$ 51,321
Exchange Assessment Fee		\$ 5.50		\$ 503,472	\$ 5.65		\$ 169,295	\$ 5.79		\$ 437,323	\$ 5.95		\$ 1,176,620	\$ 5.79		\$ 2,286,711
Exchange User Fee		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -
PCORI		\$ 0.20		\$ 17,911	\$ 0.20		\$ 5,863	\$ 0.20		\$ 14,768	\$ 0.20		\$ 40,052	\$ 0.20		\$ 78,593
<b>Denominator (Premium) Adjustment</b>		<b>\$ 21.12</b>		<b>\$ 1,933,906</b>	<b>\$ 26.40</b>		<b>\$ 791,239</b>	<b>\$ 30.64</b>		<b>\$ 2,313,209</b>	<b>\$ 36.15</b>		<b>\$ 7,148,585</b>	<b>\$ 30.87</b>		<b>\$ 12,186,940</b>
FHCR Claims		\$ 456.04		\$ 41,760,705	\$ 465.39		\$ 13,950,668	\$ 475.27		\$ 35,885,008	\$ 485.28		\$ 95,952,114	\$ 475.08		\$ 187,548,495
FHCR MLR Premium		\$ 528.69		\$ 48,413,308	\$ 538.37		\$ 16,138,255	\$ 548.57		\$ 41,419,114	\$ 558.93		\$ 110,513,461	\$ 548.37		\$ 216,484,138
<b>FHCR Loss Ratio</b>		<b>86.3%</b>			<b>86.4%</b>			<b>86.6%</b>			<b>86.8%</b>			<b>86.6%</b>		

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**DICR & MLR - Individual and Small Group Combined**

	1	2	3	4
		<b>SG &amp; Ind DC GHMSI Projected 2017 PMPM</b>	<b>%</b>	<b>\$s</b>
<b>TRADITIONAL LOSS RATIO</b>				
Allowed Claims & Captns (EHB Only)	Medical \$	443.25		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>570.08</b>		
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	445.65		
	RX \$	126.84		
	<b>TOTAL \$</b>	<b>572.49</b>		
Projected EMMs		456,824		
Average Members		38,069		
Paid/Allowed Ratio		83.9%		
Paid Claims & Captns	\$	480.50		
<b>"3Rs"</b>				
Risk Corridor		n/a		
Risk Adjustment/Transfer (Paid Claims Basis)	\$	(40.48)		
Reinsurance Recoveries (State & Federal)	\$	-		
(Individual Only, Paid Claims Basis)				
<b>Subtotal:</b>	<b>\$</b>	<b>(40.48)</b>		
Paid Claims & Captns (Post-3Rs)	\$	<b>440.01</b>	<b>78.9%</b>	<b>\$ 201,009,137</b>
Administrative Expense	\$	<b>50.59</b>	9.1%	\$ 23,111,758
Broker Commissions & Fee	\$	<b>20.54</b>	3.7%	\$ 9,385,231
Contribution to Reserve (CTR) - Post-FIT	\$	<b>11.01</b>	<b>2.0%</b>	\$ 5,030,764
Investment Income Credit	\$	(0.00)	<b>0.0%</b>	\$ (248)
<b>Non-ACA Taxes &amp; Fees</b>				
State Premium Tax	\$	11.15	<b>2.0%</b>	\$ 5,095,556
State Assessment Fees	\$	0.60	<b>0.1%</b>	\$ 274,232
State Income Tax (SIT)	\$	-	<b>0.0%</b>	\$ -
Federal Income Tax (FIT)	\$	3.00	<b>0.5%</b>	\$ 1,372,026
<b>ACA Taxes &amp; Fees</b>				
Health Insurer Fee	\$	7.80	<b>1.4%</b>	\$ 3,561,956
<b>Reinsurance Contribution</b>	\$	-	<b>0.0%</b>	\$ -
<b>Reinsurance Administrative Fee</b>	\$	-	<b>0.0%</b>	\$ -
Risk Adjustment User Fee	\$	<b>0.13</b>	<b>0.0%</b>	\$ 59,387
<b>Exchange Assessment Fee</b>	\$	5.58	<b>1.0%</b>	\$ 2,547,778
<b>Exchange User Fees (FFEs Only)</b>	\$	-	<b>0.0%</b>	\$ -
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	<b>0.20</b>	<b>0.0%</b>	\$ 90,729
BlueRewards/Incentive Program-Medical Debit Cards	\$	<b>7.09</b>	1.3%	\$ 3,239,478
Other	\$	-	<b>0.0%</b>	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>557.72</b>	<b>100.0%</b>	<b>\$ 254,777,783</b>
Contribution to Reserve (CTR) - Pre-FIT			2.8%	
<b>FHCR MEDICAL LOSS RATIO</b>				
Risk Adjustment	\$	(40.48)	\$	(18,493,766)
Reinsurance Receipts (Individual Only)	\$	-	\$	-
BlueRewards/Incentive Program-Medical Debit Cards	\$	6.41	\$	2,929,238
Quality Improvement Expenses	\$	4.84	\$	2,211,545
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	5.79	\$	2,643,142
<b>Numerator (Claims) Adjustment</b>	<b>\$</b>	<b>(23.44)</b>	<b>\$</b>	<b>(10,709,841)</b>
Non-ACA: Taxes & Regulatory Fees				
State Premium Tax	\$	11.15	\$	5,095,556
State Assmt Fee	\$	0.60	\$	274,232
State Income Tax	\$	-	\$	-
Federal Income Tax	\$	3.00	\$	1,372,026
ACA: Taxes & Regulatory Fees				
Health Insurer Fee	\$	7.80	\$	3,561,956
Reinsurance Contribution	\$	\$0.00	\$	-
Reinsurance Admin. Fee	\$	\$0.00	\$	-
Risk Adj User Fees	\$	0.13	\$	59,387
Exchange Assessment Fee	\$	5.58	\$	2,547,778
Exchange User Fee	\$	-	\$	-
PCORI	\$	0.20	\$	90,729
<b>Denominator (Premium) Adjustment</b>	<b>\$</b>	<b>28.46</b>	<b>\$</b>	<b>13,001,664</b>
FHCR Claims	\$	457.05	\$	208,793,062
FHCR MLR Premium	\$	529.25	\$	241,776,119
<b>FHCR Loss Ratio</b>		<b>86.4%</b>		

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
IND64- DC GHMSI PLAN LEVEL DERIVATIONS

	1	2	3	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22					
		ON-	OFF-	TOTAL		PROJ INDEX	Market-Level Adjustments (MLA)				Mkt-Adj INDEX	Plan-Level Adjustments (PLA)								Plan-Adj INDEX	Normalization/Calibration				Consumer Adjusted				
		Exchange 2017 Projected EMMs	Exchange 2017 Projected EMMs	2017 Projected EMMs	%	RATE (Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	RATE (Post- MLA)	CF Pricing Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	RATE (Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	PREMIUM RATES 2017		
1		Benefit Plan																											
2		Bronze Plans																											
3		BluePreferred PPO Standard Bronze \$5,000	8,996	0	8,996	14%	\$551	1.000	0.860	1.000	0.860	\$474	0.578	1.006	0.908	0.528	1.000	1.009	1.000	1.233	0.657	\$311	62.0%	0.880	1.000	1.000	0.880	\$274	
4		Subtotal:	8,996	0	8,996	14%	\$551	1.000	0.860	1.000	0.860	\$474	0.578	1.006	0.908	0.528	1.000	1.009	1.000	1.233	0.657	\$311	62.0%	0.880	1.000	1.000	0.880	\$274	
5		Silver Plans																											
6		BluePreferred PPO Standard Silver \$2,000	23,971	0	23,971	39%	\$551	1.000	0.860	1.000	0.860	\$474	0.685	1.006	0.935	0.644	1.000	1.008	1.000	1.233	0.800	\$379	71.7%	0.880	1.000	1.000	0.880	\$334	
7		Subtotal:	23,971	0	23,971	39%	\$551	1.000	0.860	1.000	0.860	\$474	0.685	1.006	0.935	0.644	1.000	1.008	1.000	1.233	0.800	\$379	71.7%	0.880	1.000	1.000	0.880	\$334	
8		Gold Plans																											
9		BluePreferred PPO Standard Gold \$500	29,081	0	29,081	47%	\$551	1.000	0.860	1.000	0.860	\$474	0.846	1.006	0.980	0.835	1.000	1.006	1.000	1.233	1.036	\$491	81.9%	0.880	1.000	1.000	0.880	\$432	
10		Subtotal:	29,081	0	29,081	47%	\$551	1.000	0.860	1.000	0.860	\$474	0.846	1.006	0.980	0.835	1.000	1.006	1.000	1.233	1.036	\$491	81.9%	0.880	1.000	1.000	0.880	\$432	
11		TOTAL:	62,048	0	62,048	100%	\$551	1.000	0.860	1.000	0.860	\$474	0.745	1.006	0.952	0.717	1.000	1.007	1.000	1.233	0.890	\$422	75.1%	0.880	1.000	1.000	0.880	\$371	
12		Average:	5,171	0	5,171																								
13		Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A./Non-H.S.A., Benefit Generosity/Induced Demand.																											
14		Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."																											
15		Network = HMO Open Access and PPO/RPN.																											

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined**

		Item Calculation
2015 AV	83.34%	(1)
2015 Induced Demand Factor	1.103	(2)
2017 AV	83.29%	(3)
2017 Induced Demand Factor	1.103	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	0.0%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Calculation of Other Projection Factors**

<b>Ind&lt;65</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.940	0.952
Capitation	1.000	0.830	1.000	0.830

<b>Small Group</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.934	0.946
Capitation	1.000	0.830	1.000	0.830

<b>Combined</b>	<b>Projection Factor</b>			
<b>Service Category</b>	<b>Demographics</b>	<b>Capitation Adjustment</b>	<b>Rx Rebates</b>	<b>Total Other Projection Factor</b>
Inpatient	1.013	1.000	1.000	1.013
Outpatient	1.013	1.000	1.000	1.013
Professional	1.013	1.000	1.000	1.013
Other	1.013	1.000	1.000	1.013
Rx	1.013	1.000	0.935	0.947
Capitation	1.000	0.830	1.000	0.830

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for "Other" adjustment factors**

**1. Factors to adjust for capitation schedule changes**

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.06	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	(\$0.18)	(2)	
Projection Period Capitation PMPM	\$0.88	(3)	
<b>Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)</b>			
	<b>-17.0%</b>		<b>(4) = [(3) / (1)] - 1</b>

**2. Rx Rebates Adjustment**

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

**Ind64-**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$173.15	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Ind64- Only)</b>	<b>-6.0%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

**Small Group**

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$122.60	(1)	
Experience Period Rx Rebates PMPM	(\$29.28)	(2)	
Projection Period Rx Rebates PMPM	(\$35.43)	(3)	
<b>Rebate adjustment factor - Impact to Rx only (Small Group Only)</b>	<b>-6.6%</b>		<b>(4) = [(3)-(2)] / [(1)+(2)]</b>

<b>Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)</b>	<b>-6.5%</b>
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**3. Demographic Factor Derivation (see page 19 for details)**

<b>Demographic Impact (Blended Across Single Risk Pool)</b>	<b>1.3%</b>
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Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products Rates Effective 1/1/2017**

**Demographic Factor Derivation**

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	Change
Totals	42,781	72,534.40		43,323	74,405.20	
Average Age Factor		1.695			1.717	1.3%
Average Age		42.4			42.6	20.2%
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	9858	0.750	7,393.50	9531	0.750	7,148.25
21	326	1.000	325.83	305	1.000	305.33
22	491	1.016	498.75	420	1.016	427.11
23	650	1.048	681.28	607	1.048	636.72
24	792	1.065	842.92	706	1.065	751.90
25	948	1.081	1,024.27	869	1.081	939.44
26	1210	1.113	1,346.43	1182	1.113	1,315.82
27	1078	1.129	1,217.10	1076	1.129	1,214.84
28	1063	1.145	1,217.31	1112	1.145	1,273.42
29	1083	1.177	1,275.15	1134	1.177	1,335.19
30	1004	1.194	1,198.32	1126	1.194	1,343.94
31	1024	1.226	1,255.23	1065	1.226	1,305.48
32	1013	1.242	1,258.08	1053	1.242	1,307.76
33	910	1.274	1,159.52	1035	1.274	1,318.79
34	862	1.290	1,112.26	941	1.290	1,214.19
35	901	1.323	1,191.65	889	1.323	1,175.77
36	824	1.339	1,103.10	911	1.339	1,219.56
37	802	1.371	1,099.52	851	1.371	1,166.69
38	753	1.403	1,056.63	826	1.403	1,159.06
39	741	1.419	1,051.74	783	1.419	1,111.35
40	716	1.452	1,039.35	757	1.452	1,098.87
41	671	1.548	1,038.97	678	1.548	1,049.81
42	702	1.629	1,143.58	690	1.629	1,124.03
43	676	1.694	1,144.84	715	1.694	1,210.89
44	706	1.774	1,252.58	707	1.774	1,254.35
45	724	1.855	1,342.90	711	1.855	1,318.79
46	734	1.952	1,432.48	718	1.952	1,401.26
47	660	2.032	1,341.29	727	2.032	1,477.45
48	637	2.129	1,356.19	653	2.129	1,390.26
49	654	2.226	1,455.68	633	2.226	1,408.94
50	587	2.323	1,363.35	622	2.323	1,444.65
51	630	2.468	1,554.68	592	2.468	1,460.90
52	618	2.597	1,604.81	652	2.597	1,693.10
53	660	2.710	1,788.39	593	2.710	1,606.84
54	621	2.823	1,752.82	630	2.823	1,778.23
55	561	2.968	1,664.90	612	2.968	1,816.26
56	535	3.097	1,656.77	564	3.097	1,746.58
57	541	3.258	1,762.61	546	3.258	1,778.90
58	497	3.387	1,683.39	545	3.387	1,845.97
59	503	3.565	1,792.95	512	3.565	1,825.03
60	502	3.710	1,862.26	532	3.710	1,973.55
61	456	3.871	1,765.16	495	3.871	1,916.13
62	454	4.065	1,845.29	484	4.065	1,967.23
63	464	4.258	1,975.74	449	4.258	1,911.87
64 and Over	1940	4.435	8,604.84	2082	4.435	9,234.68
	<b>42,781</b>		<b>72,534.40</b>	<b>43,323</b>		<b>74,405.20</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined**

**Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)**

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM
GHMSI	1,099,726	550,798	<b>\$2.00</b>

	Projected PMPM
1Q17	\$2.34
2Q17	\$2.39
3Q17	\$2.44
4Q17	\$2.48

**Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)**

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group
\$1.16	90%	\$1.04	<b>\$0.09</b>

	Projected PMPM
1Q17	\$0.09
2Q17	\$0.09
3Q17	\$0.09
4Q17	\$0.09

	Projection Period Non-EHB
1Q17	<b>\$2.43</b>
2Q17	<b>\$2.48</b>
3Q17	<b>\$2.53</b>
4Q17	<b>\$2.57</b>



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
Estimate of non-EHB in Experience and Projection Periods

Abortion:

Total - Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected Allowed	Projected 2017 Member Months (On-Exchange)	Projected PMPM
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
<b>SUM:</b>	<b>\$263,533</b>	<b>185,889</b>	<b>\$1.42</b>	<b>\$245,398</b>	<b>160,801</b>	<b>\$1.53</b>

Core Vision

	% Membership	Experience Period Capitation	Future Capitation PMPM
		\$0.10	\$1.22
% pediatric members	1%	\$0.00 EHB portion of capitation	\$0.02
% non-pediatric	99%	\$0.10 non-EHB portion of capitation	\$1.04

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI - Abortion Cost Test > \$1.00**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	Overall
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 3.10	\$ 2.55	\$ 1.96	\$ <b>2.35</b>
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	
Risk Adjustment	0.860	0.860	0.860	
Exchange User Fees	1.000	1.000	1.000	
<b>Index Rate - Post Market Level Adj.</b>	<b>\$2.67</b>	<b>\$2.19</b>	<b>\$1.69</b>	\$ <b>2.03</b>
Cost-Share Factor	0.528	0.644	0.835	0.811
Network & UM	1.000	1.000	1.000	<b>1.000</b>
Non-EHB	1.000	1.000	1.000	<b>1.000</b>
Catastrophic Adj	1.000	1.000	1.000	<b>1.000</b>
Distribution & Admin Cost	1.233	1.233	1.233	<b>1.233</b>
<b>Index Rate - Plan Level</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>	<b>\$1.74</b>
Pricing AV	65.1%	79.4%	102.9%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>	<b>\$1.53</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
Lowest Age Factor >= \$1.00	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	0.65 <b>\$1.001</b>	
HSA/Non-HSA Factor	1.01	1.01	1.01	<b>1.01</b>
Benefit Generosity Factor	0.91	0.93	0.98	<b>0.95</b>
Allowed non-EHB	\$2.57	\$2.57	\$2.57	<b>\$2.57</b>
<b>2016 Index Rate - Plan Level</b>	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>2016 Base Premium</b>	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53
<b>% Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**GHMSI Plan Level Rate Derivation - On Exchange**

Plan Name	BluePreferred PPO Standard Bronze \$5,000	BluePreferred PPO Standard Silver \$2,000	BluePreferred PPO Standard Gold \$500	Overall
HIOS Product ID	78079DC021	78079DC021	78079DC021	
HIOS Plan ID	78079DC0210002	78079DC0210004	78079DC0210003	
<i>Metal Level</i>	Bronze	Silver	Gold	
Metallic AV	62.0%	71.7%	81.9%	
Index Rate (Average Allowed EHB)	\$ 550.96	\$ 550.96	\$ 550.96	\$ 550.96
Market Level Adjustments:				
Reinsurance	1.000	1.000	1.000	1.000
Risk Adjustment	0.860	0.860	0.860	0.860
Exchange User Fees	1.000	1.000	1.000	1.000
<b>Index Rate - Post Market Level Adj.</b>	<b>\$473.78</b>	<b>\$473.78</b>	<b>\$473.78</b>	<b>\$ 473.78</b>
Cost-Share Factor	0.528	0.644	0.835	0.717
Network & UM	1.000	1.000	1.000	1.000
Non-EHB	1.009	1.008	1.006	1.007
Catastrophic Adj	1.000	1.000	1.000	1.000
Distribution & Admin Cost	1.233	1.233	1.233	1.233
<b>Index Rate - Plan Level</b>	<b>\$311.19</b>	<b>\$378.97</b>	<b>\$490.75</b>	<b>\$421.53</b>
Pricing AV	65.7%	80.0%	103.6%	
Age Calibration	0.880	0.880	0.880	
Geo Calibration	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	
<b>Consumer Adjusted Rate</b>	<b>\$273.93</b>	<b>\$333.60</b>	<b>\$432.00</b>	<b>\$371.07</b>
<b>Projected Member Months</b>	8,996	23,971	29,081	<b>62,048</b>
<b>2016 Index Rate - Plan Level</b>	\$ 291.72	\$ 328.31	\$ 539.28	\$ 421.88
<b>% Change</b>	<b>6.7%</b>	<b>15.4%</b>	<b>-9.0%</b>	<b>-0.1%</b>
<b>2016 Base Premium</b>	\$ 256.57	\$ 288.75	\$ 474.30	\$ 371.05
<b>% Change</b>	<b>6.8%</b>	<b>15.5%</b>	<b>-8.9%</b>	<b>0.0%</b>

<b>Non-EHB</b>			
Core Vision (Adult)	\$1.04	\$1.04	\$1.04
Abortion	\$3.10	\$2.55	\$1.96

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members
16,832	1,832	15,000
On Exchange	100%	15,000

\*Stonegate study used to project % purchasing by metal level

Metal Level	% purchased	Members Purchased
Catastrophic	5%	769
Bronze	27%	4,013
Silver	32%	4,804
Gold	36%	5,414
Total	100%	15,000

% by FPL Estimate	
<150%	0.0%
151%-200%	0.0%
201%-250%	1.1%
251%+	98.9%
Total	100.0%

			Distribution of Non-GF Membership												
			January 60%	February 10%	March 10%	April 10%	May 3.0%	June 1.0%	July 1.0%	August 1.0%	September 1.0%	October 1.0%	November 1.0%	December 1.0%	100.0%
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244
<b>Bronze Plans</b>	<b>4,013</b>														
BluePreferred PPO Standard Bronze \$5,000	21%	839	6042	923	839	755	201	59	50	42	34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024
<b>Silver Plans</b>	<b>4,804</b>														
BlueChoice HMO Standard Silver \$2000	51%	2,464	17741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631
CSR 150-200%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Gold Plans</b>	<b>5,414</b>														
BlueChoice HMO Standard Gold \$500	50%	2,701	19449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081
<b>BluePreferred Subtotal</b>	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048
<b>BlueChoice Subtotal</b>	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753
<b>Grand Total</b>	100.0%	15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801

62,048	Member Months
98,753	Member Months
160,801	Member Months

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Pricing AV**

Projected EMMs (PPO)	Plan Name	AV w/ Federal model (Different allowed per metal)	AV from internal Model (Fixed allowed per metal)	AV from internal Model All Silver at Base	Induced Utilization (Adj. allowed per fed Model)	Induced Utilization Scaled	HSA vs Non- HSA (Adj for HSA behavior)	HSA vs Non- HSA Scaled
8,996	BluePreferred PPO Standard Bronze \$5,000	62.0%	57.8%	57.8%	1.00	0.91	1.006	1.006
23,340	BluePreferred PPO Standard Silver \$2,000	71.7%	68.5%	68.5%	1.03	0.93	1.006	1.006
631	CSR 200-250%	73.0%	70.8%	68.5%	1.03	0.93	1.006	1.006
29,081	BluePreferred PPO Standard Gold \$500	81.9%	84.6%	84.6%	1.08	0.98	1.006	1.006
<b>62,048</b>		<b>75.1%</b>	<b>74.5%</b>	<b>74.5%</b>	<b>1.05</b>	<b>0.95</b>	<b>1.006</b>	<b>1.006</b>
<b>Silver Average</b>			<b>68.5%</b>			0.93		1.01
Fed Ave subsidy on Silver			0.1%					
			68.5%					

Internal AV model was developed using 2015 claims data.

Support for the normalization of factors can be found on page 29.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Support for Normalization Across Individual (Ind) and Small Group (SG)**

<b>Metal Level</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Platinum</b>	SG & Ind	1.150	214,896	1.044
<b>Gold</b>	SG & Ind	1.080	145,505	0.980
<b>Silver</b>	SG & Ind	1.030	86,796	0.935
<b>Silver CSR</b>	Ind	1.030	631	0.935
<b>Bronze</b>	SG & Ind	1.000	8,996	0.908
		1.102	456,824	1.000

  

<b>HSA/HRA</b>	<b>Market</b>	<b>Initial Factor</b>	<b>Projected MMs</b>	<b>Normalized Factors</b>
<b>Other</b>	SG	0.960	58,284	0.960
	SG & Ind		398,540	1.006
			456,824	1.000

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Age Factor Calibration**

Member Age	Member Count	Members * Age Factor	Age Rate
0-20	673	440	\$ 317.27
21	26	19	\$ 352.69
22	40	29	\$ 352.69
23	39	28	\$ 352.69
24	37	27	\$ 352.69
25	49	36	\$ 352.69
26	93	68	\$ 352.69
27	192	140	\$ 352.69
28	185	138	\$ 360.94
29	194	147	\$ 368.70
30	166	129	\$ 377.91
31	161	129	\$ 387.62
32	187	153	\$ 396.35
33	163	136	\$ 405.57
34	151	129	\$ 415.27
35	135	118	\$ 424.97
36	151	135	\$ 434.67
37	160	147	\$ 444.38
38	142	132	\$ 449.71
39	125	117	\$ 455.05
40	124	121	\$ 473.00
41	99	100	\$ 491.43
42	110	116	\$ 510.84
43	103	113	\$ 530.73
44	95	108	\$ 551.59
45	93	110	\$ 572.94
46	92	113	\$ 595.25
47	109	139	\$ 618.54
48	105	139	\$ 642.79
49	87	120	\$ 668.02
50	89	127	\$ 694.22
51	82	122	\$ 721.39
52	101	156	\$ 749.52
53	89	143	\$ 778.63
54	85	142	\$ 809.19
55	95	165	\$ 840.73
56	78	140	\$ 873.72
57	87	163	\$ 907.67
58	85	165	\$ 943.09
59	86	174	\$ 979.96
60	98	206	\$ 1,018.28
61	81	177	\$ 1,058.06
62	103	225	\$ 1,058.06
63	69	150	\$ 1,058.06
64+	197	430	\$ 1,058.06
Grand Total	5,511	6,259	

**Avg Age Factor:** 1.136 = 6,259/5,511

**\$ 550.96**

**Interpolated Age:** 43.97 (based on DC Age Curve)  
**Closest Age:** 44.0 (as an Integer, based on DC Age Curve)

**Avg Age Factor:** 1.136  
**1/1.136 = 0.880**  
**DC Factor:** 1.137 (matching above integer)  
**Calibration Factor:** 1/1.137 = 0.880

Value of calibration factor  
- adjustment to DC Factor  
-0.1%  
= 0.880/0.880 - 1

# Appendix



**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**Rating Methodology**

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factors will be multiplied together to get the composite member factor.

Once each member's composite factor is computed, they are added together to get the total factor for the policy. Each family member is included in the calculation, except for families that have four or more children 20 years of younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**Reserve Calculation Methodology**

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**  
**2017 DC Age Rating Factors**

Age Band	Age Factor	Age Factor % Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Inpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Admits	Allowed	Admits/1 000	Unit Cost	Allowed	Admits/1000	Unit Cost
201304	21,193	38,080	2,706,146	158	1.00	2,706,146	158						
201305	21,193	37,963	2,328,360	182	1.00	2,328,360	182						
201306	21,060	37,755	2,621,955	183	1.00	2,621,955	183						
201307	21,055	37,782	2,467,150	183	1.00	2,467,151	183						
201308	21,353	38,228	2,531,449	182	1.00	2,531,450	182						
201309	21,182	37,860	4,240,017	166	1.00	4,240,034	166						
201310	21,207	37,864	2,806,086	163	1.00	2,806,131	163						
201311	21,254	38,041	2,919,765	182	1.00	2,919,843	182						
201312	21,331	38,279	2,854,604	183	1.00	2,854,683	183						
201401	24,902	44,057	5,284,759	242	1.00	5,284,972	242						
201402	25,080	44,387	3,061,450	223	1.00	3,061,667	223						
201403	24,931	44,090	3,129,745	234	1.00	3,129,990	234	77.90	57.70	\$16,199.64			
201404	24,785	43,924	3,482,980	224	1.00	3,483,296	224	78.57	58.65	\$16,075.08			
201405	24,805	43,935	2,515,112	204	1.00	2,515,966	204	77.99	58.47	\$16,004.50			
201406	24,716	43,873	3,541,957	214	1.00	3,543,615	214	78.89	58.50	\$16,181.12			
201407	24,316	43,152	3,125,059	199	1.00	3,126,897	199	79.36	58.26	\$16,346.26			
201408	24,062	42,822	5,181,493	198	1.00	5,185,635	198	83.92	58.11	\$17,328.84			
201409	23,690	42,199	2,518,516	180	1.00	2,520,958	180	79.81	57.95	\$16,525.84			
201410	23,274	41,506	3,974,070	200	1.00	3,978,486	200	81.54	58.41	\$16,750.17			
201411	22,980	40,925	2,746,742	170	1.00	2,750,780	170	80.75	57.81	\$16,761.38			
201412	21,579	38,192	2,412,514	188	1.00	2,417,050	188	79.91	57.95	\$16,548.57			
201501	21,542	37,787	3,051,955	165	1.00	3,058,941	165	76.51	56.85	\$16,149.90			
201502	21,542	37,690	2,169,380	170	1.00	2,175,110	170	75.76	56.35	\$16,133.93			
201503	21,607	37,674	3,286,825	226	1.00	3,298,592	227	77.09	56.90	\$16,255.76	-1.0%	-1.4%	0.3%
201504	21,614	37,643	2,871,128	184	0.99	2,887,588	185	76.86	56.68	\$16,272.15	-2.2%	-3.4%	1.2%
201505	21,454	37,323	3,169,873	189	0.99	3,194,026	190	79.32	57.12	\$16,665.36	1.7%	-2.3%	4.1%
201506	21,398	37,220	3,518,275	176	0.99	3,553,332	178	80.46	57.00	\$16,938.61	2.0%	-2.6%	4.7%
201507	21,342	37,169	3,425,587	201	0.99	3,470,365	204	82.22	57.84	\$17,056.91	3.6%	-0.7%	4.3%
201508	21,210	36,937	3,058,978	185	0.98	3,119,754	189	78.80	58.33	\$16,209.44	-6.1%	0.4%	-6.5%
201509	21,229	36,930	2,982,819	169	0.97	3,064,581	174	80.89	58.83	\$16,499.42	1.4%	1.5%	-0.2%
201510	21,162	36,764	3,055,234	186	0.96	3,172,910	193	79.96	59.26	\$16,190.92	-1.9%	1.5%	-3.3%
201511	21,237	36,921	1,986,932	139	0.94	2,108,233	147	79.24	59.18	\$16,067.03	-1.9%	2.4%	-4.1%
201512	21,076	36,508	2,577,822	168	0.92	2,791,730	182	80.38	59.23	\$16,283.93	0.6%	2.2%	-1.6%
201601	21,871	37,311	2,092,577	154	0.78	2,692,072	198	79.64	60.19	\$15,879.60	4.1%	5.9%	-1.7%
201602	22,711	38,298	384,657	32	0.28	1,393,274	116	77.79	58.63	\$15,920.89	2.7%	4.0%	-1.3%
Experience Period													
Period		256,413	446,566	35,154,806	2,158	0.98	35,895,163	2,204					
201503		21,607	37,674								-1.0%	-1.4%	0.3%
201509		21,229	36,930								1.4%	1.5%	-0.2%
201512		21,076	36,508								0.6%	2.2%	-1.6%
Avg last 6 months		21,209	36,872								-0.7%	1.2%	-1.9%
Selected Pricing Trend												1.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Outpatient**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	21,193	38,080	3,124,547	2,675	1.00	3,124,547	2,675						
201305	21,193	37,963	3,196,739	2,705	1.00	3,196,739	2,705						
201306	21,060	37,755	2,952,037	2,541	1.00	2,952,037	2,541						
201307	21,055	37,782	3,352,561	2,681	1.00	3,352,562	2,681						
201308	21,353	38,228	3,087,963	2,707	1.00	3,087,965	2,707						
201309	21,182	37,860	2,918,120	2,561	1.00	2,918,132	2,561						
201310	21,207	37,864	3,368,061	2,803	1.00	3,368,114	2,803						
201311	21,254	38,041	2,980,658	2,499	1.00	2,980,738	2,499						
201312	21,331	38,279	3,066,125	2,745	1.00	3,066,211	2,745						
201401	24,902	44,057	3,631,473	3,220	1.00	3,631,611	3,220						
201402	25,080	44,387	3,541,154	2,970	1.00	3,541,389	2,970						
201403	24,931	44,090	4,133,029	3,156	1.00	4,133,319	3,156	82.96	841.43	\$1,183.07			
201404	24,785	43,924	3,761,331	3,258	1.00	3,761,719	3,258	83.27	845.77	\$1,181.51			
201405	24,805	43,935	3,664,390	3,160	1.00	3,665,771	3,161	83.22	846.64	\$1,179.47			
201406	24,716	43,873	3,782,931	3,151	1.00	3,784,718	3,152	83.87	851.03	\$1,182.66			
201407	24,316	43,152	4,131,300	3,204	1.00	4,133,627	3,206	84.54	854.50	\$1,187.18			
201408	24,062	42,822	4,019,387	3,027	1.00	4,022,413	3,029	85.62	854.38	\$1,202.62			
201409	23,690	42,199	3,677,139	3,204	1.00	3,680,697	3,207	86.40	862.37	\$1,202.22			
201410	23,274	41,506	4,504,989	3,368	1.00	4,510,129	3,372	88.02	869.59	\$1,214.61			
201411	22,980	40,925	3,909,356	2,895	1.00	3,915,330	2,899	89.34	874.07	\$1,226.60			
201412	21,579	38,192	4,201,120	2,950	1.00	4,209,143	2,956	91.59	879.14	\$1,250.14			
201501	21,542	37,787	4,014,544	2,855	1.00	4,022,647	2,861	93.49	881.50	\$1,272.71			
201502	21,542	37,690	3,258,294	2,473	1.00	3,267,034	2,480	94.20	881.54	\$1,282.24			
201503	21,607	37,674	3,871,159	2,909	1.00	3,884,583	2,919	94.92	887.23	\$1,283.76	14.4%	5.4%	8.5%
201504	21,614	37,643	3,844,032	2,738	0.99	3,866,070	2,754	96.35	886.24	\$1,304.65	15.7%	4.8%	10.4%
201505	21,454	37,323	3,659,514	2,685	0.99	3,687,453	2,705	97.72	887.05	\$1,321.99	17.4%	4.8%	12.1%
201506	21,398	37,220	3,707,901	2,796	0.99	3,745,006	2,824	99.01	891.19	\$1,333.20	18.0%	4.7%	12.7%
201507	21,342	37,169	3,589,807	2,848	0.99	3,636,810	2,885	99.21	894.36	\$1,331.21	17.4%	4.7%	12.1%
201508	21,210	36,937	3,571,519	2,797	0.98	3,642,212	2,852	99.66	901.15	\$1,327.03	16.4%	5.5%	10.3%
201509	21,229	36,930	3,441,562	2,725	0.97	3,535,624	2,799	100.49	900.84	\$1,338.58	16.3%	4.5%	11.3%
201510	21,162	36,764	3,903,134	2,770	0.96	4,053,445	2,877	100.53	897.14	\$1,344.68	14.2%	3.2%	10.7%
201511	21,237	36,921	3,831,600	2,802	0.94	4,065,368	2,973	101.76	907.13	\$1,346.18	13.9%	3.8%	9.7%
201512	21,076	36,508	4,013,620	2,877	0.92	4,344,916	3,116	102.45	914.86	\$1,343.83	11.9%	4.1%	7.5%
201601	21,871	37,311	3,561,668	2,563	0.78	4,577,771	3,295	103.80	927.50	\$1,343.02	11.0%	5.2%	5.5%
201602	22,711	38,298	878,827	938	0.28	3,119,677	3,323	103.33	948.91	\$1,306.77	9.7%	7.6%	1.9%
Experience													
Period	256,413	446,566	44,706,687	33,275	0.98	45,751,169	34,045						
201503	21,607	37,674									14.4%	5.4%	8.5%
201509	21,229	36,930									16.3%	4.5%	11.3%
201512	21,076	36,508									11.9%	4.1%	7.5%
Avg last 6 months	21,209	36,872									15.0%	4.3%	10.3%
Selected Pricing Trend												3.5%	9.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Professional**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	21,193	38,080	5,520,794	34,554	1.00	5,520,794	34,554						
201305	21,193	37,963	5,388,719	33,999	1.00	5,388,719	33,999						
201306	21,060	37,755	4,958,844	30,922	1.00	4,958,844	30,922						
201307	21,055	37,782	5,262,810	32,865	1.00	5,262,812	32,865						
201308	21,353	38,228	5,215,064	32,386	1.00	5,215,067	32,386						
201309	21,182	37,860	5,243,720	31,924	1.00	5,243,741	31,924						
201310	21,207	37,864	5,875,607	37,231	1.00	5,875,701	37,232						
201311	21,254	38,041	5,155,049	32,676	1.00	5,155,187	32,677						
201312	21,331	38,279	5,182,613	31,902	1.00	5,182,758	31,903						
201401	24,902	44,057	6,850,811	39,547	1.00	6,851,089	39,549						
201402	25,080	44,387	5,907,566	35,171	1.00	5,907,976	35,173						
201403	24,931	44,090	6,161,660	37,366	1.00	6,162,090	37,369	140.66	10,385.27	\$162.52			
201404	24,785	43,924	6,409,920	39,255	1.00	6,410,566	39,259	140.80	10,376.45	\$162.83			
201405	24,805	43,935	6,341,589	38,630	1.00	6,344,006	38,645	141.03	10,363.66	\$163.30			
201406	24,716	43,873	6,194,808	37,835	1.00	6,197,750	37,853	141.80	10,403.81	\$163.55			
201407	24,316	43,152	6,273,528	37,905	1.00	6,277,088	37,927	142.30	10,413.60	\$163.98			
201408	24,062	42,822	5,938,489	35,377	1.00	5,943,066	35,404	142.45	10,390.46	\$164.52			
201409	23,690	42,199	6,158,931	38,179	1.00	6,164,972	38,217	143.05	10,450.52	\$164.26			
201410	23,274	41,506	9,245,787	42,905	1.00	9,256,505	42,954	148.65	10,510.50	\$169.72			
201411	22,980	40,925	5,442,429	34,095	1.00	5,450,749	34,147	148.39	10,485.81	\$169.82			
201412	21,579	38,192	5,703,942	35,042	1.00	5,714,559	35,107	149.46	10,562.53	\$169.80			
201501	21,542	37,787	5,816,350	33,890	1.00	5,828,167	33,959	149.29	10,560.86	\$169.63			
201502	21,542	37,690	5,003,704	29,892	1.00	5,017,078	29,972	149.50	10,577.47	\$169.61			
201503	21,607	37,674	5,804,754	33,806	1.00	5,824,901	33,923	150.76	10,631.18	\$170.18	7.2%	2.4%	4.7%
201504	21,614	37,643	5,920,628	34,624	0.99	5,954,574	34,823	151.77	10,658.96	\$170.87	7.8%	2.7%	4.9%
201505	21,454	37,323	5,523,819	32,612	0.99	5,565,982	32,861	152.24	10,661.18	\$171.36	7.9%	2.9%	4.9%
201506	21,398	37,220	5,842,164	34,404	0.99	5,900,640	34,749	153.75	10,732.21	\$171.91	8.4%	3.2%	5.1%
201507	21,342	37,169	6,023,146	34,064	0.99	6,102,047	34,510	155.34	10,781.80	\$172.89	9.2%	3.5%	5.4%
201508	21,210	36,937	5,437,893	31,996	0.98	5,545,871	32,632	156.46	10,847.10	\$173.09	9.8%	4.4%	5.2%
201509	21,229	36,930	5,509,353	33,202	0.97	5,659,962	34,110	157.16	10,864.33	\$173.59	9.9%	4.0%	5.7%
201510	21,162	36,764	6,126,912	36,545	0.96	6,362,858	37,953	152.41	10,845.55	\$168.63	2.5%	3.2%	-0.6%
201511	21,237	36,921	5,523,964	32,747	0.94	5,861,125	34,746	154.69	10,958.45	\$169.39	4.2%	4.5%	-0.3%
201512	21,076	36,508	5,439,185	32,788	0.92	5,892,301	35,525	155.67	11,010.99	\$169.65	4.2%	4.2%	-0.1%
201601	21,871	37,311	4,797,164	28,526	0.78	6,169,608	36,689	156.60	11,096.19	\$169.35	4.9%	5.1%	-0.2%
201602	22,711	38,298	2,278,478	14,509	0.28	8,094,090	51,552	163.27	11,660.82	\$168.02	9.2%	10.2%	-0.9%
Experience Period	256,413	446,566	67,971,872	400,570	0.98	69,515,507	409,761						
201503	21,607	37,674									7.2%	2.4%	4.7%
201509	21,229	36,930									9.9%	4.0%	5.7%
201512	21,076	36,508									4.2%	4.2%	-0.1%
Avg last 6 months	21,209	36,872									6.6%	4.0%	2.6%
Selected Pricing Trend												3.0%	2.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Medical Other**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost
201304	21,193	38,080	782,265	3,001	1.00	782,265	3,001						
201305	21,193	37,963	723,683	3,019	1.00	723,683	3,019						
201306	21,060	37,755	670,837	2,591	1.00	670,837	2,591						
201307	21,055	37,782	859,527	2,774	1.00	859,527	2,774						
201308	21,353	38,228	968,478	2,955	1.00	968,478	2,955						
201309	21,182	37,860	865,426	2,895	1.00	865,430	2,895						
201310	21,207	37,864	940,619	3,310	1.00	940,634	3,310						
201311	21,254	38,041	848,856	2,872	1.00	848,879	2,872						
201312	21,331	38,279	966,975	2,935	1.00	967,002	2,935						
201401	24,902	44,057	933,103	3,301	1.00	933,141	3,301						
201402	25,080	44,387	916,056	3,459	1.00	916,123	3,459						
201403	24,931	44,090	1,204,239	3,932	1.00	1,204,331	3,932	22.51	937.08	\$288.31			
201404	24,785	43,924	1,062,098	4,220	1.00	1,062,232	4,220	22.82	956.14	\$286.44			
201405	24,805	43,935	1,185,918	3,709	1.00	1,186,351	3,710	23.49	961.46	\$293.23			
201406	24,716	43,873	1,135,003	4,128	1.00	1,135,533	4,130	24.15	987.02	\$293.57			
201407	24,316	43,152	1,095,541	4,303	1.00	1,096,152	4,305	24.36	1,013.28	\$288.50			
201408	24,062	42,822	1,129,619	3,874	1.00	1,130,461	3,877	24.46	1,026.04	\$286.08			
201409	23,690	42,199	1,113,150	4,360	1.00	1,114,217	4,364	24.74	1,052.05	\$282.22			
201410	23,274	41,506	1,122,162	4,542	1.00	1,123,435	4,547	24.92	1,073.63	\$278.58			
201411	22,980	40,925	1,035,816	4,212	1.00	1,037,439	4,218	25.15	1,099.08	\$274.61			
201412	21,579	38,192	1,194,954	5,204	1.00	1,197,212	5,213	25.60	1,152.55	\$266.58			
201501	21,542	37,787	1,092,006	4,580	1.00	1,094,234	4,589	26.24	1,197.31	\$262.98			
201502	21,542	37,690	1,149,190	4,263	1.00	1,152,275	4,274	27.06	1,232.89	\$263.41			
201503	21,607	37,674	1,126,623	4,931	1.00	1,130,523	4,947	27.26	1,273.59	\$256.89	21.1%	35.9%	-10.9%
201504	21,614	37,643	1,317,532	5,045	0.99	1,325,085	5,074	28.16	1,311.02	\$257.71	23.4%	37.1%	-10.0%
201505	21,454	37,323	1,062,918	4,036	0.99	1,071,031	4,067	28.30	1,337.95	\$253.85	20.5%	39.2%	-13.4%
201506	21,398	37,220	1,164,775	4,842	0.99	1,176,407	4,891	28.79	1,375.98	\$251.05	19.2%	39.4%	-14.5%
201507	21,342	37,169	1,137,421	4,488	0.99	1,152,306	4,547	29.27	1,399.77	\$250.96	20.2%	38.1%	-13.0%
201508	21,210	36,937	1,169,252	4,799	0.98	1,192,538	4,895	29.78	1,444.03	\$247.48	21.7%	40.7%	-13.5%
201509	21,229	36,930	1,077,367	2,800	0.97	1,106,778	2,877	30.11	1,421.63	\$254.14	21.7%	35.1%	-9.9%
201510	21,162	36,764	1,167,887	1,783	0.96	1,212,901	1,852	30.62	1,365.03	\$269.20	22.9%	27.1%	-3.4%
201511	21,237	36,921	890,052	1,365	0.94	944,353	1,448	30.69	1,303.06	\$282.60	22.0%	18.6%	2.9%
201512	21,076	36,508	964,784	1,660	0.92	1,045,658	1,799	30.46	1,216.23	\$300.57	19.0%	5.5%	12.7%
201601	21,871	37,311	740,474	1,108	0.78	950,919	1,425	30.18	1,132.41	\$319.76	15.0%	-5.4%	21.6%
201602	22,711	38,298	264,555	648	0.28	944,735	2,308	29.67	1,078.07	\$330.25	9.6%	-12.6%	25.4%
Experience Period	256,413	446,566	13,319,807	44,592	0.98	13,604,090	45,261						
201503	21,607	37,674									21.1%	35.9%	-10.9%
201509	21,229	36,930									21.7%	35.1%	-9.9%
201512	21,076	36,508									19.0%	5.5%	12.7%
Avg last 6 months	21,209	36,872									21.2%	27.5%	-4.0%
Selected Pricing Trend												10.0%	0.0%

Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017  
**D.C. GHMSI Small Group & Individual Base Experience Rx**  
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost
201304	21,193	38,080	3,899,240	30,309	1.00	3,899,240	30,309						
201305	21,193	37,963	3,930,227	30,653	1.00	3,930,227	30,653						
201306	21,060	37,755	3,725,243	28,297	1.00	3,725,243	28,297						
201307	21,055	37,782	4,132,836	29,811	1.00	4,132,836	29,811						
201308	21,353	38,228	4,070,732	28,952	1.00	4,070,732	28,952						
201309	21,182	37,860	4,028,614	28,139	1.00	4,028,614	28,139						
201310	21,207	37,864	4,347,031	29,816	1.00	4,347,031	29,816						
201311	21,254	38,041	4,016,316	27,900	1.00	4,016,316	27,900						
201312	21,331	38,279	4,509,982	30,520	1.00	4,509,982	30,520						
201401	24,902	44,057	4,033,791	32,300	1.00	4,033,791	32,300						
201402	25,080	44,387	3,915,004	30,909	1.00	3,915,004	30,909						
201403	24,931	44,090	4,502,629	34,367	1.00	4,502,629	34,367	103.53	9,156.42	\$135.68			
201404	24,785	43,924	4,603,148	34,763	1.00	4,603,148	34,763	103.73	9,156.29	\$135.95			
201405	24,805	43,935	4,797,938	35,221	1.00	4,797,938	35,221	104.24	9,156.56	\$136.61			
201406	24,716	43,873	4,903,870	33,944	1.00	4,903,870	33,944	105.34	9,180.42	\$137.70			
201407	24,316	43,152	5,058,992	34,256	1.00	5,058,992	34,256	106.07	9,188.54	\$138.52			
201408	24,062	42,822	4,539,088	32,694	1.00	4,539,088	32,694	106.03	9,193.90	\$138.39			
201409	23,690	42,199	4,496,990	33,052	1.00	4,496,990	33,052	106.04	9,231.53	\$137.85			
201410	23,274	41,506	4,921,062	33,942	1.00	4,921,062	33,942	106.41	9,262.67	\$137.86			
201411	22,980	40,925	4,402,919	31,509	1.00	4,402,919	31,509	106.57	9,295.01	\$137.58			
201412	21,579	38,192	4,593,670	33,505	1.00	4,593,670	33,505	106.75	9,366.40	\$136.76			
201501	21,542	37,787	4,440,385	31,152	1.00	4,440,385	31,152	108.87	9,455.10	\$138.18			
201502	21,542	37,690	4,050,318	28,027	1.00	4,050,318	28,027	110.60	9,512.56	\$139.52			
201503	21,607	37,674	4,596,098	30,972	1.00	4,596,098	30,972	112.23	9,553.67	\$140.97	8.4%	4.3%	3.9%
201504	21,614	37,643	4,751,362	30,180	1.00	4,751,362	30,180	113.98	9,563.95	\$143.01	9.9%	4.5%	5.2%
201505	21,454	37,323	4,453,032	29,914	1.00	4,453,032	29,914	114.83	9,563.02	\$144.09	10.2%	4.4%	5.5%
201506	21,398	37,220	4,727,913	30,233	1.00	4,727,913	30,233	116.07	9,603.28	\$145.04	10.2%	4.6%	5.3%
201507	21,342	37,169	4,830,843	30,117	1.00	4,830,843	30,117	117.06	9,619.92	\$146.03	10.4%	4.7%	5.4%
201508	21,210	36,937	4,711,308	29,366	1.00	4,711,308	29,366	118.93	9,655.99	\$147.80	12.2%	5.0%	6.8%
201509	21,229	36,930	4,659,286	29,168	1.00	4,659,286	29,168	120.65	9,665.34	\$149.80	13.8%	4.7%	8.7%
201510	21,162	36,764	5,238,522	30,487	1.00	5,238,522	30,487	122.62	9,675.01	\$152.09	15.2%	4.5%	10.3%
201511	21,237	36,921	4,680,899	29,626	1.00	4,680,899	29,626	124.34	9,711.02	\$153.64	16.7%	4.5%	11.7%
201512	21,076	36,508	5,517,401	31,742	1.00	5,517,401	31,742	126.87	9,700.26	\$156.95	18.9%	3.6%	14.8%
201601	21,871	37,311	4,809,351	30,183	1.00	4,809,351	30,183	127.84	9,684.55	\$158.40	17.4%	2.4%	14.6%
201602	22,711	38,298	5,171,481	31,458	1.00	5,171,481	31,458	130.17	9,763.54	\$159.99	17.7%	2.6%	14.7%
Experience Period	256,413	446,566	56,657,366	360,984	1.00	56,657,366	360,984						
201503	21,607	37,674									8.4%	4.3%	3.9%
201509	21,229	36,930									13.8%	4.7%	8.7%
201512	21,076	36,508									18.9%	3.6%	14.8%
Avg last 6 months	21,209	36,872									14.5%	4.5%	9.6%
Selected Pricing Trend												3.0%	9.5%



Group Hospitalization & Medical Services, Inc. (GHMSI)  
DC Individual Exchange Products, Rates Effective 1/1/2017

**D.C. GHMSI Small Group & Individual Base Experience - Medical and Rx Total**

Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

					Completed	Rolling 12 PMPM	Rolling 12 Trend
Month	Contracts	Members	Allowed	Completion Factor	Allowed	Allowed	Allowed
201304	21,193	38,080	16,032,992	1.00	16,032,992		
201305	21,193	37,963	15,567,728	1.00	15,567,728		
201306	21,060	37,755	14,928,917	1.00	14,928,917		
201307	21,055	37,782	16,074,884	1.00	16,074,888		
201308	21,353	38,228	15,873,687	1.00	15,873,691		
201309	21,182	37,860	17,295,896	1.00	17,295,950		
201310	21,207	37,864	17,337,403	1.00	17,337,610		
201311	21,254	38,041	15,920,644	1.00	15,920,963		
201312	21,331	38,279	16,580,299	1.00	16,580,635		
201401	24,902	44,057	20,733,936	1.00	20,734,604		
201402	25,080	44,387	17,341,230	1.00	17,342,160		
201403	24,931	44,090	19,131,303	1.00	19,132,358	427.55	
201404	24,785	43,924	19,319,477	1.00	19,320,961	429.19	
201405	24,805	43,935	18,504,948	1.00	18,510,032	429.97	
201406	24,716	43,873	19,558,569	1.00	19,565,486	434.05	
201407	24,316	43,152	19,684,421	1.00	19,692,757	436.63	
201408	24,062	42,822	20,808,077	1.00	20,820,663	442.49	
201409	23,690	42,199	17,964,726	1.00	17,977,834	440.04	
201410	23,274	41,506	23,768,069	1.00	23,789,617	449.55	
201411	22,980	40,925	17,537,261	1.00	17,557,217	450.21	
201412	21,579	38,192	18,106,201	1.00	18,131,634	453.31	
201501	21,542	37,787	18,415,239	1.00	18,444,375	454.40	
201502	21,542	37,690	15,630,886	1.00	15,661,816	457.12	
201503	21,607	37,674	18,685,458	1.00	18,734,698	462.26	8.1%
201504	21,614	37,643	18,704,681	1.00	18,784,679	467.11	8.8%
201505	21,454	37,323	17,869,156	0.99	17,971,524	472.42	9.9%
201506	21,398	37,220	18,961,029	0.99	19,103,298	478.07	10.1%
201507	21,342	37,169	19,006,805	0.99	19,192,371	483.11	10.6%
201508	21,210	36,937	17,948,951	0.99	18,211,683	483.62	9.3%
201509	21,229	36,930	17,670,386	0.98	18,026,230	489.30	11.2%
201510	21,162	36,764	19,491,688	0.97	20,040,637	486.14	8.1%
201511	21,237	36,921	16,913,447	0.96	17,659,979	490.71	9.0%
201512	21,076	36,508	18,512,812	0.94	19,592,005	495.84	9.4%
201601	21,871	37,311	16,001,234	0.83	19,199,722	498.06	9.6%
201602	22,711	38,298	8,977,999	0.48	18,723,257	504.23	10.3%

Experience Period	256,413	446,566	217,810,539	0.98	221,423,295		
201503	21,607	37,674					8.1%
201509	21,229	36,930					11.2%
201512	21,076	36,508					9.4%
Avg last 6 months	21,209	36,872					9.6%

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**DC Individual Exchange Products, Rates Effective 1/1/2017**

**DC Combined - Small Group & Individual Capitations**

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.45	\$0.36	\$0.27	-40%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0%
Wellness*	\$0.21	\$0.21	\$0.21	0%
Embedded Pediatric Vision **	\$0.27	\$0.27	\$0.27	0%
Embedded Adult Vision ***	\$0.09	\$0.09	\$0.09	0%
<b>TOTAL</b>	<b>\$1.06</b>	<b>\$0.97</b>	<b>\$0.88</b>	<b>-17%</b>

\*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

\*\*Only applies to members age 19 and under.

\*\*\*Ind64- only and only applies to members over the age of 19.

**Group Hospitalization & Medical Services, Inc. (GHMSI)**  
**d.b.a. CareFirst BlueCross BlueShield**  
**(NAIC # 53007)**  
**DC Individual Exchange Products**  
**Rates Effective 1/1/2017**  
**Non-Grandfathered Experience for ACA Plans**

**Existing Products Included in Experience Period**

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contracts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*
78079DC0200001	BluePreferred HSA Bronze \$3,500	78079DC0210002	BluePreferred PPO Standard Bronze \$4,500	78079DC0210002	BluePreferred PPO Standard Bronze \$5,000	On	706	8,579	\$2,663,110	\$2,825,910	\$1,658,176
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan Base	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan Base	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 Base	On	922	10,268	\$3,387,236	\$4,297,753	\$2,817,752
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 94%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 94%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 94%	On	5	42	\$13,331	\$39,634	\$29,238
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 87%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 87%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 87%	On	7	67	\$29,863	\$18,912	\$11,929
78079DC0180001	BlueCross BlueShield Preferred 1500, A Multi-State Plan 73%	78079DC0160002	Blue Cross Blue Shield Preferred 1600, a Multi-State Plan 73%	78079DC0210004	BluePreferred PPO Standard Silver \$2,000 73%	On	31	368	\$134,249	\$567,881	\$494,058
78079DC0160001	BlueCross BlueShield Preferred 500, A Multi-State Plan	78079DC0160001	Blue Cross Blue Shield Preferred 750, a Multi-State Plan	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	701	7,885	\$3,350,469	\$5,414,458	\$4,466,192
78079DC0210001	BluePreferred Platinum \$0	78079DC0210001	BluePreferred PPO Standard Platinum \$0	78079DC0210003	BluePreferred PPO Standard Gold \$500	On	927	10,494	\$5,469,004	\$12,069,341	\$11,110,555
Total							3,299	37,703	\$ 15,047,262	\$ 25,233,889	\$ 20,587,900
									\$ (3,838)		

\*These amounts do not include pharmacy rebates, capitations & miscellaneous.